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FBIS-EAS-91-197 CONTENTS *10 October 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

- PRC Delegation To Attend World Bank Meeting *[Bangkok XING XIAN RIBAO 9 Oct]* 1
- Commonwealth Finance Ministers Meeting Continues *[BERNAMA]* 1
  - Debt Relief Clarification Sought *[BERNAMA]* 1

INTER-ASIAN AFFAIRS

- U.S. Trade Envoy, ASEAN Members Hold Talks *[BERNAMA]* 2
- Malaysian Minister on Liberalized ASEAN Market *[BERNAMA]* 2

NORTHEAST ASIA

Japan

- Kaifu, Brady Reconfirm Stance on Soviet Aid *[KYODO]* 3
- Hashimoto, Brady Discuss Strong Yen, Soviet Aid *[KYODO]* 3
- Mieno, Greenspan Exchange Views on Major Topics *[KYODO]* 4
- U.S. Rejects Appeal on Drift-Net Fishing *[KYODO]* 4
- Norwegian Official Agrees With Farm Trade Stand *[KYODO]* 5
- Hungary Invites More Private Economic Investment *[KYODO]* 5
- Mission Recovers Remains of 5 POWs in Siberia *[KYODO]* 5
- Citizen Settles on USSR-Held Kunashiri Island *[KYODO]* 6
- JCP Opposes Revival of Soviet Communist Party *[KYODO]* 6
- Miyazawa Seen As Most Powerful LDP Contender *[KYODO]* 6
- NTT Develops 'Highly Sensitive' Polymer *[KYODO]* 7

Mongolia

- Inner Mongolia, MPR Open Border Railway *[Hohot NEIMENGGU RIBAO 24 Aug]* 7
- Mongolian Radio, TV Delegation Visits Tianjin *[Tianjin Radio]* 8
- French Firm To Build Capital's Phone System *[MONTSAME]* 8
- MPR Small Hural Approves Land Privatization *[Beijing XINHUA]* 8
- State Rehabilitation Commission Holds Meeting *[MONTSAME]* 8
- MONTSAME Reviews 8 Oct Daily Newspapers 8

North Korea

- Kim Il-song Continues Tour of PRC Provinces 9
  - Leaves Shandong Province *[Pyongyang Radio]* 9
  - Arrives in Jiangsu Province *[Pyongyang Radio]* 9
  - Meets Jiang Zemin in Nanjing *[Pyongyang Radio]* 10
- U.S. Air Force, Navy 8 Oct Exercises Reported *[KCNA]* 11
- Foreign Minister Meets U.S., Foreign Officials *[Pyongyang Radio]* 11
- Asian Lawyers Issue Statement on Korean Problem *[KCNA]* 11
- Committee Denounces South Nuclear Power Station *[KCNA]* 12
  - Unification Group's Statement *[KCNA]* 12
- Hanminjon Greets Kim Il-song on WPK Anniversary *[KCNA]* 12
  - Message to Kim Chong-il *[KCNA]* 13
- University Head Urges Unhampered Student Visits *[KCNA]* 13
- KCNA Reviews 9 Oct Pyongyang Press 14
- KCNA Reviews 10 Oct Pyongyang Press 15

South Korea

Talks on Nuclear Issues, Arms Cuts Proposed *[YONHAP]* ... 16
PRC's 'Cool Attitude' Toward Kim Il-song Noted *[YONHAP]* ... 16
Seoul, Beijing Schedule Talks To Improve Ties *[YONHAP]* ... 17
PRC Media Begin Using Republic's Official Name *[SEOUL SINMUN 10 Oct]* ... 17
Army Interested in Buying U.S. Patriot Missiles *[THE KOREA TIMES 10 Oct]* ... 17
U.S. Bank Given Suspension for Currency Deals *[YONHAP]* ... 17
Soviet Banker Assures Moscow's Solvency for Debts *[YONHAP]* ... 18
    Urges Faster Loan Deliveries *[YONHAP]* ... 18
Plan for Moscow Trade Center Progresses Steadily *[YONHAP]* ... 18
Cooperation Memo Signed With Soviet Institute *[YONHAP]* ... 18
Moscow-Seoul-Pyongyang Trade Relations Viewed *[THE KOREA HERALD 9 Oct]* ... 19
Uruguay Round Talks 'Causing Alarm' for Farmers *[YONHAP]* ... 20
Lobbyists Demand Rise in Rice Purchase Prices *[THE KOREA HERALD 10 Oct]* ... 20
GATT To Arbitrate U.S.-ROK-Japan Dispute *[THE KOREA TIMES 9 Oct]* ... 21
North Complains of South Copyright Infringement *[YONHAP]* ... 21
* Survey on UN Membership, Reunification *[HANGUK ILBO 16 Aug]* ... 22
Exports to North To Bear Correct Origin Label *[THE KOREA ECONOMIC WEEKLY 7 Oct]* ... 24
Prosecution To Probe Civil Service Corruption *[YONHAP]* ... 25
DLP Convention Balloting To Decide Candidate *[YONHAP]* ... 25

SOUTHEAST ASIA

Burma

Army Battles Rebels in Bogale's 'White Area' *[Rangoon TV]* ... 26
    Fighting Marks Tactics 'Change' *[AFP]* ... 26

Brunei, Malaysia, & Singapore

Malaysia

Trade Minister Meets U.S. Trade Representative *[BERNAMA]* ... 26
    Explains Import Duty Cuts *[BERNAMA]* ... 27
Ministers on Mahathir's Commonwealth, UN Talks *[Kuala Lumpur International]* ... 27
Government To Repatriate 200 Aceh Refugees *[AFP]* ... 28

Cambodia

Hun Sen Arrives in New Delhi 3 Oct for Visit *[Phnom Penh Radio]* ... 28
    Meets Prime Minister *[SPK]* ... 28
Hun Sen Meets French Leaders in Paris *[SPK]* ... 29
Party Extraordinary Congress To Be Held 17 Oct *[SPK]* ... 29
Hun Sen-Chea Sim Relationship Viewed *[Bangkok THE NATION 9 Oct]* ... 29
Hun Sen's Political Future in Party Examined *[Bangkok THE NATION 10 Oct]* ... 30
Sihanouk Gives Hun Sen Reconstruction Donation *[Phnom Penh Radio]* ... 31

Indonesia

Minister Asks U.S. To 'Relax' Textile Quota *[BERNAMA]* ... 31
Alatas in Malaysia To Discuss Islands Dispute *[Jakarta Radio]* ... 31
Forestry Minister on Results of Trip to Germany *[Jakarta Radio]* ... 32
Determination To Repay Foreign Debt Stressed *[Jakarta Radio]* ... 32
Aceh President Appeals for Thai 'Initiative' *[Bangkok THE NATION 10 Oct]* ... 32

Laos

Foreign Minister Addresses UN Meeting 4 Oct *[Vientiane Radio]* ... 33
Kaysone Phomvihan Receives Mongolian Ambassador *[KPL]* ... 34
Trade Talks Held With PRC's Yunnan Province *[Vientiane Radio]* ... 34

Seed for Dry Season Farming Bought From SRV *[Vientiane Radio]* 34
Economy Minister Urges Businessmen To Pay Taxes *[Vientiane Radio]* 34

Philippines

Senator on Maximum 1-Year U.S. Subic Presence *[Quezon City Radio]* 34
Aquino To Study Salonga's Base Pullout Plan *[Manila Radio]* 35
Manglapus Refuses To Head Withdrawal Panel *[Manila Radio]* 35
Controversy Over Bataan Nuclear Plant Continues *[Quezon City Radio]* 35
  Case To Be Discussed Out of Court *[Manila Radio]* 35
ASEAN Said Not Serving Manila's Interests *[THE CHRONICLE 10 Oct]* 35
Cutbacks Possible on Foreign-Assisted Projects *[BUSINESS WORLD 8 Oct]* 36
Aquino Signs Local Government Code Into Law *[Quezon City Radio]* 37
Aquino Refuses Marcos Burial at Heroes Cemetery *[Manila Radio]* 38
Navy To Purchase Exocet Missiles From France *[AFP]* 39
High-Ranking Rebel Military Officers Surrender *[Manila Radio]* 39
Communist Insurgents Urge Peace; Clashes Recur *[AFP]* 40

Thailand

Prime Minister Anan Notes Impact of AFTA *[BANGKOK POST 10 Oct]* 40
Minister Confident GSP Privileges Will Remain *[BANGKOK POST 10 Oct]* 41
World Bank Defers Decision on Loan for Dam *[BANGKOK POST 10 Oct]* 41
Officials on Arrest in Saudi Envoy's Murder *[THE NATION 10 Oct]* 42
Suchinda on Military Budget Allocation Requests *[London International]* 42
Party Leader on Arms Purchase Irregularities *[BANGKOK POST 10 Oct]* 43
Weapons Slated for Burmese Minority Group Seized *[BAN MUANG 10 Oct]* 43
Tobacco Firm Seeks Probe on Cigarette Dumping *[BANGKOK POST 10 Oct]* 44

Vietnam

Nguyen Manh Cam Interviewed on Arms Reduction *[Hanoi Radio]* 44
Australian Government To Resume Direct Aid *[VNA]* 45
Chief Delegate Speaks at United Nations 1 Oct *[Hanoi Radio]* 45
Capital Military Region Holds Party Congress *[Hanoi Radio]* 47
Pham The Duyet Attends Hoai Duc Congress *[Hanoi Radio]* 48
Party Monthly Views World Situation *[TAP CHI CONG SAN Sep]* 48
General Discusses Army Political Education *[TAP CHI PHONG TOAN DAN Sep]* 52

AUSTRALASIA

Australia

Government To Resume Direct Aid to Vietnam *[AFP]* 57

New Zealand

RSA's Botha Arrives for Talks in Wellington *[Melbourne International]* 57
  Trades Criticisms With Moore *[AFP]* 57
  Cancels Planned News Conference *[Johannesburg Radio]* 57
Bolger Confronted Over Firing Minister Peters *[AFP]* 58

Solomon Islands

French Nuclear Tests in Pacific Criticized *[AFP]* 58

PRC Delegation To Attend World Bank Meeting

BK0910103891 Bangkok XING XIAN RIBAO in Chinese 9 Oct 91 p 4

[Excerpt] Li Guixian, Chinese state councillor and president of the People's Bank of China, and his 22-member delegation of the People's Bank of China, the Finance Ministry, and the Foreign Ministry's International Organizations Department arrived in Bangkok yesterday to attend the 46th annual meeting of the World Bank and the International Monetary Fund to be held at the Sirikit International Convention Center next Monday.

Li Guixian's entourage includes Deputy Finance Minister Chi Haibin and Chen Yuan, vice president of the People's Bank of China. About 10,000 [figure as published] delegates from 155 member countries will attend the annual meeting of the World Bank and the International Monetary Fund. [passage omitted]

Commonwealth Finance Ministers Meeting Continues

BK1010045891 Kuala Lumpur BERNAMA in English 0342 GMT 10 Oct 91

[Text] Kuala Lumpur, Oct 10 (OANA-BERNAMA)—Commonwealth finance ministers [CFM] resumed discussions Thursday on the second day of their two-day annual meeting here with the topics including issues pertaining to the World Bank and International Monetary Fund (IMF).

They will also discuss the subject of privatisation and how it will help the economy and find ways to accelerate economic progress in the wake of global changes.

The success of privatisation in several countries, including Malaysia, and a Commonwealth expert group report entitled "Change for the Better: Global Change and Economic Development" will be discussed.

After lunch the meeting will discuss functional cooperation of the Commonwealth Secretariat, which will include a review of the resource needs of the Commonwealth fund for technical cooperation (CFTC). The CFTC Board of Representatives had met here on Monday.

Another item on the agenda for the afternoon is on enhancing the value of future meetings of the finance ministers.

Debt relief and rescheduling of loans took up much of the discussions Wednesday with delegates discussing what has come to be known as the Trinidad and Tobago terms—a proposal by British Prime Minister John Major, then chancellor of the exchequer, at last year's CFM meeting in that country.

The proposal calls for the cancellation of two-thirds of debt owed by small and poor countries to the rich donor countries known as the Paris club.

It is most likely that delegates will adopt the expert group report on how to achieve economic progress in the light of global changes, and some of the group's recommendations may figure in the joint communique which will be issued after the ministers conclude their meeting this evening.

Debt Relief Clarification Sought

BK1010063591 Kuala Lumpur BERNAMA in English 0531 GMT 10 Oct 91

[Text] Kuala Lumpur, Oct 10 (OANA-BERNAMA)—Britain will clarify the European Community's decision to put off its Third World debt relief plan at the Commonwealth finnace ministers meeting (CFMM) here Thursday, Malaysian Finance Minister Anwar Ibrahim said.

He said British Economic Secretary John Maples, who is heading the British delegation to the CFMM, would clarify the EC move because Britain had been very consistent on the Trinidad and Tobago terms—a British debt relief proposal tabled at last year's CFMM in Port of Spain.

The Trinidad and Tobago terms seek a cancellation of two-thirds of the debt owed to the Paris club of creditor nations and the rescheduling of the remainder over 24 years.

"We will give them (Britain) a chance to clarify," Anwar told reporters here after the morning session. "But we're of course very definite about what we would like to see."

He said developing countries wanted at the minimum the Trinidad and Tobago terms and a consistency as regards to the debt relief facilities that had been accorded to Egypt and Poland.

On the EC decision, he said it showed that the member nations had not reached a consensus on the mechanics of implementing the proposal.

But it did not mean the community had rejected the principle that some debt-relief facilities should be accorded to the poor countries, he said.

Press reports from Luxembourg said the EC finance ministers had put off a decision on Third World debt relief.

The report said Britain and Germany opposed plans to cancel around U.S. $1.8 billion owed by 69 states in Africa, the Carribean, and Pacific regions which belong to the EC's Lome aid and trade accord.

U.S. Trade Envoy, ASEAN Members Hold Talks

BK1010042691 Kuala Lumpur BERNAMA in English 0339 GMT 10 Oct 91

[Text] Kuala Lumpur, Oct 10 (OANA-BERNAMA)—United States Trade Representative [USTR] Carla Hills resumed bilateral talks with Malaysia and Indonesia Thursday following a dialogue between the U.S. and the ASEAN grouping Wednesday.

Hills had similar discussions with Brunei Darussalam, Thailand, and the Philippines yesterday, with each ASEAN country expected to bring up trade and policy matters relating to their individual countries.

Earlier she had talks with all the ASEAN economic ministers who prior to that met for two days from Oct 7 to look into ways to boost intra-ASEAN trade at the 23rd ASEAN economic ministers meeting [AEM].

Hills told a press conference yesterday after her talks with the AEM that the U.S. was staunchly committed to the growth and prosperity of the ASEAN region, the countries of which also subscribed to the concept of free trade as the U.S.

To this end, she said, the U.S. and ASEAN would have regular consultations to enhance trade and investment cooperation. She was hopeful that both parties would have more areas of agreement than differences in trade in the short term.

At the same time, she called for ASEAN support in efforts to bring about a successful conclusion to the stalled Uruguay round of multilateral trade negotiations as it was vital for a freer global trading system.

Under the bilateral talks programme, Singapore was not included as the republic is scheduled to have its bilateral discussions when the USTR visits the republic after the meeting with the AEM.

Malaysian Minister on Liberalized ASEAN Market

BK1010100091 Kuala Lumpur BERNAMA in English 0613 GMT 10 Oct 91

[Text] Kuala Lumpur, Oct 10 (OANA-BERNAMA)—The decisions reached at the just-concluded ASEAN economic ministers meeting show that ASEAN is prepared to take necesary measures to create an enhanced and liberalised regional market, Malaysian Minister of International Trade and Industry Rafidah Aziz said Thursday.

In her speech at the opening of the ASEAN economic symposium on "ASEAN: Growth Centre of the 1990s" here, she said despite the nuances and different approaches adopted by various member countries, ASEAN basically shared a common belief in a free market economy.

Noting the increasing role of private sectors in promoting ASEAN economic cooperation, she said, their contribution in translating ideas and proposals into tangible realities were imperative.

"Concerted efforts by the ASEAN private sector and their trading partners are essential for undertaking measures to enhance economic cooperation and transforming ASEAN as a growth centre of the 1990s and 21st century," she said in her speech read out by her deputy, Chua Jui Meng.

The one-day symposium, organised by the Institute of Strategic and International Studies, was attended by some 150 government officials, economists and corporate leaders from ASEAN member countries.

Rafidah noted that the indicators which confirmed this included the resultant effect of the injection of substantial direct investment into the region led by Japan and the other ASEAN NIE's [newly industrialized economies] in the latter half of the 1980s and demographic composition of ASEAN countries which indicated ASEAN as a market which offered huge potential for consumer durables and retail business.

It is estimated that at least U.S. $20 billion of direct investments originating from Japan, South Korea, Taiwan, Hong Kong, Singapore, and United States had been approved by the ASEAN countries in 1990.

In 1988 and 1989, Malaysia, Thailand, the Philippines, and Indonesia approved direct investments from these countries totalling U.S. $13 billion and U.S. $17 billion respectively.

In the area of investments, she said emphasis on infrastructural development by member countries arising from the expansion of international trade and the creation of an attractive investment environment for overseas capital offered tremendous opportunities for business in the region.

Japan

Kaifu, Brady Reconfirm Stance on Soviet Aid

OW1010052991 Tokyo KYODO in English 0521 GMT 10 Oct 91

[Text] Tokyo, Oct. 10 KYODO—U.S. Treasury Secretary Nicholas Brady told Prime Minister Toshiki Kaifu on Thursday that the West should not be a passive spectator of events in the Soviet Union, but should provide it with vital assistance.

Foreign Ministry officials, however, told reporters Brady cautioned that despite the apparent irreversibility of reforms in the Soviet Union, the West should be careful not to take any precipitous actions that could strengthen remaining authoritarian elements.

Brady also was quoted as saying that while the West should extend humanitarian aid to the Soviets, "that is not to say that we should pour in limitless amounts of funds at the present time."

The U.S. Treasury secretary arrived in Tokyo on Wednesday en route to a series of international monetary meetings in Bangkok this weekend, some of which will discuss aid to the Soviet Union.

Officials said Kaifu briefed Brady on Japan's decision to extend a package of 2.5 billion dollars in loans to Moscow to support the process of democratization and liberalization.

Brady recalled that when he went to the Soviet Union a few weeks ago, he found a dismal economic situation.

Politically, he said, there appeared to be a consensus that the center must be preserved in some form, particularly to deal with such issues as controlling of nuclear weapons, managing a common currency, and distributing energy resources.

At the same time, relations between the center and the republics, as well as among the republics themselves, were extremely difficult and could even lead to more ethnic conflicts, Brady said.

After a meeting later in the day with Foreign Minister Taro Nakayama, Brady was quoted as saying it is still premature for the west to give the Soviet Union financial assistance.

Brady said it was his view that Washington and Tokyo hold similar positions on aid to the Soviet Union.

Officials quoted Nakayama as saying the Soviet Union does not have the facilities in place to deal with large amounts of financial aid.

Nakayama said it is Japan's view, after sending a survey mission recently to the Soviet Far East, that the best way to ensure that financial assistance is used efficiently would be to donate it through regional governments. He said Japan is interested in providing aid directly to Sakhalin, a large island in the Russian Federation directly north of Hokkaido, the northernmost of Japan's four main islands.

Sakhalin has administrative jurisdiction over a group Japanese-claimed islands off Hokkaido that the Soviet and Russian Federation Governments have recently indicated may be returned to Japan.

The Sakhalin Regional Government is opposed to releasing any territory under its administration.

Officials said Brady told Kaifu that Washington is confident Japan will gain possession of the contested islands lost to Moscow after World War II—Etorofu, Kunashiri, Shikotan, and the Habomai group—which Japan refers to as its Northern Territories.

"The Northern Territories are all yours," Brady was quoted as saying.

Hashimoto, Brady Discuss Strong Yen, Soviet Aid

OW0910175291 Tokyo KYODO in English 1635 GMT 9 Oct 91

[Text] Tokyo, Oct. 10 (KYODO)—U.S. Treasury Secretary Nicholas Brady and Japanese Finance Minister Ryutaro Hashimoto on Wednesday endorsed a strong yen, which they see as "posing no concern."

Both officials, who met here late Wednesday, also agreed on the pressing need to bail out the struggling Soviet economy, a Finance Ministry official told reporters.

Brady arrived in Tokyo earlier in the day on his way to Bangkok for a series of international monetary meetings from this weekend.

Hashimoto and Brady agreed that there is no pressing need for concern about the current yen-dollar rate.

The yen has been on a steady rise against the U.S. dollar over recent sessions, paced by widespread speculation that the Group of Seven (G-7) industrial nations may agree to support a strong yen to help slash Japan's unabated external trade surplus.

Brady, however, did not touch on either the issue of Japan's towering trade surplus or its monetary policy, the ministry official said.

Speculators had believed that Brady would ask for a coordinated interest cut in Japan to make it easier for the United States to ease credit to give a badly needed thrust to its anemic economy.

The official said Brady warmly welcomed Japan's pledge on Tuesday of an emergency aid package of up to 2.5 billion dollars to the Soviet Union, which is expected to enter this winter with a serious food shortage.

While agreeing on the need for emergency aid for the beleagured Soviet Union, however, they attached a couple of conditions to any further assistance, including large-scale financial aid.

The conditions include greater access to information about the Soviet economy and clarification of responsibility between Moscow and the republics, particularly over debt repayments.

But the two officials were cautious about giving the Soviet Union a moratorium on its 77 billion dollars worth of debt payments, agreeing to watch for the time being how things develop.

"Discussions on such matters will be left to the Bangkok meeting (of the G-7 nations)," the official said.

He also said it remains to be seen whether Soviet officials will attend the forthcoming G-7 meeting, as widely speculated.

Brady is scheduled to leave for Bangkok Thursday after meeting with Hashimoto once again and also Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama.

Mieno, Greenspan Exchange Views on Major Topics

OW1010033191 Tokyo KYODO in English 0303 GMT 10 Oct 91

[Text] Tokyo, Oct. 10 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno and U.S. Federal Reserve Board Chairman Alan Greenspan met at a Tokyo hotel Thursday morning to exchange their views on "major topics" before a weekend international monetary meeting in Bangkok, a BOJ source said.

The source said the 45-minute meeting covered topics including foreign exchange rates, monetary policy, and assistance to the Soviet Union. He refused to elaborate further on the details.

Neither central bank chief made any official announcement after their meeting.

The Mieno-Greenspan meeting took place amid speculation that the United States might urge Japan to ease credit to boost domestic demand, putting a cap on rebounding exports.

Japan's Finance Minister Ryutaro Hashimoto and U.S. Treasury Secretary Nicholas Brady agreed at a Wednesday evening meeting that recent yen-dollar exchange rates are not a concern, a position that tolerates the current level of 130 yen to the dollar, Finance Ministry officials said.

There has been much talk that this weekend's meeting of top finance officials from the Group of Seven (G-7) industrial nations will result in a communique supporting a strong yen to reduce Japan's whopping current account surplus.

U.S. Rejects Appeal on Drift-Net Fishing

OW1010040291 Tokyo KYODO in English 0325 GMT 10 Oct 91

[Text] Washington, Oct. 9 KYODO—U.S. officials Wednesday turned down a Japanese appeal to continue using drift nets in the northern Pacific to catch squid, Japanese officials said.

Japan's Fishery Agency Director-General Toshihiko Tsuruoka, who presented the Japanese case in a series of meetings with U.S. officials, said the U.S. maintains that drift-net fishing is wasteful of marine resources.

"The U.S. side has not changed its position," Tsuruoka said after meeting with Undersecretary of State for Economic and Agricultural Affairs Robert B. Zoellick and other administration officials.

Tsuruoka came to Washington in a bid to ward off U.S. pressure to end drift-net fishing which critics say kills dolphins, whales, birds and other marine life caught in huge nets that stretch for as long as 50 kilometers.

Japanese officials said there is no conclusive scientific evidence that drift-net fishing is more wasteful to marine life than other types of fishing.

Furthermore, they said, the question of waste could be addressed through conservation efforts.

Japanese officials said an international ban on drift-net fishing could affect the livelihoods of 10,000 Japan fishermen and 50,000 more people involved in the fish processing industry.

At present, 600 Japanese drift-net fishing boats operate in international waters in the northern Pacific, most of them engaged in catching large squid.

The State Department declared last month that U.S. officials will lobby the United Nations this fall for a permanent United Nations ban on drift-net fishing in international waters.

The Commerce Department has announced that the U.S. will ban imports of any fish or fish products caught with drift nets after June 30 next year.

The U.S. Congress also is considering a bill that would eventually mandate trade sanctions against all countries that continue to use the so-called "curtains of death."

There is "clear and compelling evidence of the very wasteful nature of drift-net fishing," Assistant State Secretary Janet G. Mullins said September 20 in unveiling the U.S. diplomatic drive for a permanent U.N. ban.

The U.N. adopted a resolution last year calling for a moratorium on drift-net fishing by June 30, 1992, unless conservation efforts are made to minimize the waste of marine products.

Tsuruoka said Japan is ready to introduce conservation measures, such as keeping nontarget fish for commercial use and shifting fishing seasons or fishing locations to minimize the volume of nontarget fish caught in the nets.

The controversy over scientific evidence centers on an international conference held in June in Canada when Japanese marine scientists disputed conclusions drawn by their American colleagues on the effects of drift-net fishing on marine resources.

"There was no consensus among scientists on the extent of waste," a Japanese official said.

Norwegian Official Agrees With Farm Trade Stand

OW0910175191 Tokyo KYODO in English 1404 GMT 9 Oct 91

[Text] Tokyo, Oct. 9 (KYODO)—A top Norwegian agriculture official was reported Tuesday as saying that quantitative restrictions on food imports should be maintained to protect national farm land, a position in line with Japan's view on a controversial farm trade issue.

Per Harald Grue [spelling as received], vice minister of Norway's Agriculture Ministry, made the remark when he met Shigeru Motai, a former vice minister of Japan's Ministry of Agriculture, Forestry and Fisheries, in Oslo, Tuesday, ministry officials said, citing a report from the Norwegian capital.

The Norwegian official reportedly told Motai that quantitative restrictions on imports of foods such as milk and reindeer meat are needed in consideration of self-sufficiency in staple foods and social needs.

The issue of whether to scrap all quantitative restrictions on food imports is now at the center of global trade talks known as the Uruguay Round.

Japan is opposed to abolishing all quantitative restrictions as it maintains a ban on rice imports out of a desire to retain self- sufficiency in the staple.

Motai, who now serves as an adviser to the ministry, is now on a European tour for talks with European agriculture officials to exchange views on the stalled 108-nation global talks.

Hungary Invites More Private Economic Investment

OW0910134991 Tokyo KYODO in English 1111 GMT 09 Oct 91

[Text] Tokyo, Oct. 9 KYODO—Hungarian financial leader Imre Tarafas called on Japanese companies on Wednesday to make more investment in Hungary as the economic and financial situations of the East European country have improved over a couple of years.

Tarafas, first deputy president of the National Bank of Hungary, made the call in an interview with KYODO NEWS SERVICE shortly after arriving in Japan on his way to Bangkok to attend the weekend meetings of the Internatinal Monetary Fund (IMF) and the World Bank.

Tarafas said, "the amount of Japanese investment in Hungary is modest, compared with other countries," adding that Hungary has possessed adequate legislations to guarantee and defend foreign investment in Hungary.

Foreign investment in Hungary totaled 900 million dollars in 1990, and the United States was the largest investor in Hungary, followed by Germany and Austria and Japan.

Tarafas stressed the improvements in Hungary's economic and financial situations, saying the country's current balance of payments has improved and foreign investment has grown.

The current account marked a slight surplus in 1990 for the first time in six years, according to the report of the central bank.

On inflation in Hungary, Tarafas said the Hungarian Government will make every effort to bring down inflation from 35-37 percent in 1991 to less than 20 percent in 1993.

Tarafas said personally that it is possible for Hungary to introduce the convertibility of Hungarian currency if Hungary achieves a digit of inflation in a foreseeable future. [sentence as received]

Mission Recovers Remains of 5 POWs in Siberia

OW0910145891 Tokyo KYODO in English 1353 GMT 9 Oct 91

[Text] Chita, Soviet Union, Oct. 9 KYODO—A government mission recovered five remains of Japanese prisoners of war (POW) in Drovyanaya, Chita Province in Siberia, Japanese officials said.

One of the remains was identified as Hiroshi Yamazaki, second lieutenant of the defunct Japanese Imperial Army, according to the officials. But Yamazaki's hometown was not immediately known.

The remains were gathered at a burial ground in Drovyanaya, about 90 kilometers southeast of Chita, the provincial capital, where a camp for Japanese POWs was located.

About 500 Japanese, including soldiers and other military personnel, were detained in the camp from September 1945, and 56 died while engaged in forced labor, such as deforestation and road repair work.

Based on a bilateral agreement made when Soviet President Mikhail Gorbachev visited Japan in April, a 10-member Japanese team led by Matsuo Murase, a division chief of the health and welfare ministry's relief bureau, arrived in Chita on Tuesday to conduct 10-day excavation work to collect the remains of the POWs.

Some 53,000 of the 575,000 prisoners captured by The Soviet army in Japanese-occupied Manchuria and other regions are believed to have died in camps in Siberia and Mongolia.

Citizen Settles on USSR-Held Kunashiri Island

OW0910041591 Tokyo KYODO in English 0211 GMT 9 Oct 91

[Text] Kushiro, Hokkaido, Oct. KYODO—A 30-year-old Japanese man has been living and working for a Soviet company on Soviet-held Kunashiri Island north of Hokkaido since the end of September, according to reports reaching here Wednesday.

The man, whose name has not been revealed, told friends in Kunashiri that he is living in the town of Yuzhno-Kurilsk where he works as a researcher for a fishing company.

It is the first known case of a Japanese settling on the island since the end of World War II.

The island, together with the nearby islands of Etorofu, Shikotan, and the Habomais, lies off the northeastern tip of the northernmost main Japanese island of Hokkaido. The islands were formerly Japanese territory but were seized by the Soviets in the closing days of the war.

The Japanese Government has demanded that the islands, which it calls the "Northern Territories," be returned by the Soviet Union.

The man, who comes from Niigata Prefecture, worked for a Hokkaido company until June after reportedly developing an interest in the Northern Territories issue and studying Russian.

He spent several days on Kunashiri last year and decided he would like to live on the island.

The fishing company offered him employment after he mentioned the idea to a local newspaper editor.

The paperwork for the man's visa and other documents was handled by the chairman of the South Kuriles Regional Executive Committee. The man reached Kunashiri after flying from Niigata to Sakhalin, also in the Soviet Far East.

As a matter of government policy, Japanese nationals are not allowed to visit the islands using entry visas issued by Soviet authorities, as this would imply recognition of the islands as Soviet territory.

The government recently allowed citizens to visit the islands under a visa-free formula devised by the two governments.

JCP Opposes Revival of Soviet Communist Party

OW0910141491 Tokyo KYODO in English 1305 GMT 9 Oct 91

[Text] Atami, Shizuoka Pref., Oct. 9 KYODO—Japanese Communist Party (JCP) strong man Kenji Miyamoto said Wednesday that the JCP opposes the revival of the Soviet Communist Party, one and half months after Soviet President Mikhail Gorbachev recommended the Soviet Communist Party Central Committee dissolve the Soviet party.

Miyamoto, chairman of the Central Committee of the JCP, made the remarks at a three-day party consultative meeting which started Wednesday.

Miyamoto stressed the legitimacy of the JCP's policies, saying that the Soviet Communist party embodied "hegemony and socialist imperialism," and should be buried in history.

The JCP and the Soviet Communist Party have disputed communist ideology and an international communist movement since 1964. The JCP has accused its counterpart of imposing its will on the Japanese party.

Referring to the House of Councillors' election to be held next summer, Miyamoto called on party members to make every effort to win the election and promote the JCP from the third largest opposition group to the second opposition party.

On the ruling Liberal Democratic Party (LDP) presidential election to be held on October 27, Miyamoto blamed the three candidates—Hiroshi Mitsuzuka, Kiichi Miyazawa, and Michio Watanabe—for including reform of one-seat constituencies in their campaign platform.

Miyamoto said "monopolistic capitalism" aims to reorganize the Japanese political map in its favor by introducing one-seat constituencies in the 512-seat lower house.

Miyamoto said capitalism will not be able to gain a victory in Japan in future.

About 10,200 party members across the country attended the meeting to discuss ways of interpreting the communist theory "correctly" and of tackling strategies for the lower house election.

Miyazawa Seen As Most Powerful LDP Contender

OW1010045891 Tokyo KYODO in English 0440 GMT 10 Oct 91

[Text] Tokyo, Oct. 10 KYODO—Kiichi Miyazawa has emerged as the most powerful contender in Japan's leadership race, many Liberal Democratic Party (LDP) sources said Thursday.

Major Japanese newspapers also reported that Miyazawa is gaining wide support from various quarters in the faction-ridden governing party as a successor to Prime Minister Toshiki Kaifu, who is stepping down later this month.

Miyazawa, 72, head of the LDP's third-largest faction, is running against Hiroshi Mitsuzuka and Michio Watanabe for the LDP presidency, which carries with it the post of prime minister.

The party's largest power bloc, led by kingmaker Shin Kanemaru, on Wednesday gave up plans to field its own candidate in the October 27 presidential election and instead will support one from outside the group, faction sources said.

Many senior members in Kanemaru's faction said that Miyazawa is rich in government and party experience, compared with Mitsuzuka, 64, and Watanabe, 68.

He previously served as foreign minister, international trade and industry minister, finance minister, chief cabinet secretary and also as chairman of the party's decision-making executive council.

The No. 1 faction, however, has not decided who it will support, said Ichiro Ozawa, its deputy leader.

Ozawa, who declined to run in the presidential election, said he will ask Miyazawa, Mitsuzuka and Watanabe about their policies for leading the country and the party.

However, younger members in the largest faction have expressed opposition to Miyazawa because of differences on political reform, faction sources said.

Kanemaru said in a faction meeting Wednesday that his group has no choice but to support one of the three declared candidates.

Kaifu, whose term of office as LDP president expires October 30, has said he will not seek another two-year term because of his failure to gain Diet approval of his political reform bills.

The LDP's smallest faction, to which Kaifu belongs, has said it will go along with the No. 1 faction in the election.

Toshio Komoto, head of the smallest faction with 31 members, will meet with Kanemaru Thursday evening to coordinate election strategies, Komoto aides said.

Miyazawa visited Komoto Thursday morning to ask his support in the election.

Miyazawa told Komoto that he will make every effort to compile a plan for political reform within a year if he is elected the LDP president and hence prime minister.

In Osaka, Watanabe, another contender in the election, told reporters that he has a strong chance of winning the election.

Watanabe said he shares similar policies and political beliefs with many members of the largest faction, which was founded by former prime minister Noboru Takeshita and now is led by Kanemaru.

Watanabe said he will work hard to gain support from the Takeshita faction.

Mitsuzuka, the third contender, joined Watanabe in pledging to seek support from the No. 1 faction.

NTT Develops 'Highly Sensitive' Polymer

OW0910121391 Tokyo KYODO in English 1040 GMT 9 Oct 91

[Text] Tokyo, Oct. 9 KYODO—Nippon Telegraph and Telephone Corp. said Wednesday it has developed a highly sensitive polymer which could pave the way for production of ultrahigh-speed optical switching devices.

The giant telecommunications company said the new substance is 10 times more sensitive than lithium niobate, a typical nonlinear optical material widely used in optical switches.

The company said tests confirmed that electric-field sensors, which include the new material used for electro-optic sampling, are more sensitive, faster in response, and quieter than conventional ones.

Electro-optic sampling is a method for measuring and testing ultrahigh-speed, large-scale computer chips.

The company said the new material will also be used in large electronic circuits such as those on printed boards, as the sensors are easier to make and cheaper.

An experimental optical switching device made of the new material operated on less than five volts of electric force and remained effective when left at 80 degrees C for more than six months, the company said.

The company said the new material is widely applicable within the opto-electronics field, particularly in a device which controls optical messages through electric signals.

The company said it could also study the possibility of using the new material to develop a high-speed broadband optical switch.

Mongolia

Inner Mongolia, MPR Open Border Railway

SK0910044891 Hohhot NEIMENGGU RIBAO in Chinese 24 Aug 91 p 1

[By reporter Yuan Ruilun (0626 3843 0243): "The Sino-MPR Standard Railway at the Border Station Between the Cities of Erenhot and Dzamin Uud Has Been Opened to Traffic"]

[Text] A signing ceremony for opening the standard railway, jointly built by the PRC and the Mongolian People's Republic [MPR], at the border station between the PRC city of Erenhot and the MPR city of Dzamin

Uud was held in Hohhot on 20 August. Signing their names on the "protocol" to open the standard railway were Gong Shuqing, representative of the PRC, and (Alakshi), representative of the MPR.

The standard railway at the border section is 9.3 km long. Both countries have provided land and personnel for the construction operation. On 19 August the border station gave the standard railway a trial operation, confirming that the railway is in accord with the fixed standard and providing the conditions of usage.

Mongolian Radio, TV Delegation Visits Tianjin

SK1010064091 Tianjin People's Radio in Mandarin 1000 GMT 9 Oct 91

[Text] At noon today, Vice Mayor Qian Qiao cordially met with the Mongolia radio and television delegation, headed by (Zhu Alatai), director of the Mongolian radio and television station at the Sheraton Hotel. The host and the guests talked with one another in a friendly manner. Before the reception, members of the delegation toured the Tianjin radio and television tower, and went sightseeing in the city, accompanied by Liu Xiliang, vice minister of radio, film, and television, and by (Luo Yuanpeng), responsible person of the Tianjin Radio and Television Bureau.

French Firm To Build Capital's Phone System

OW0910045291 Ulaanbaatar MONTSAME in English 1247 GMT 8 Oct 91

[Text] Ulaanbaatar, October 8 (OANA-MONTSAME)—A group of Mongolian engineers has left for France for going through a course at the training centre of the well-known French firm "Alcatel Site", which is to found the new automatic telephone station in the Mongolian capital.

According to the deputy-director of the board of radio and telephone network of Ulaanbaatar N. [words indistinct] with putting into operation of the new station in March 1992 the number of telephone subscribers of the city telephone automatic station will increase by almost twice. Over 11 mln [million] dollars will be spent on realization of the project.

MPR Small Hural Approves Land Privatization

OW1010105791 Beijing XINHUA in English 1015 GMT 10 Oct 91

[Text] Ulanbaatar, October 10 (XINHUA)—The ongoing fourth session of the Small Hural of Mongolia has approved a law for land privatization, according to the Mongolian newspaper "PEOPLE'S RIGHT" received today.

Under the new agrarian law, which was discussed at the session, factories, enterprises, mass organizations and citizens in Mongolia are allowed to own land under state coordination and supervision.

The report said that foreign citizens and units in the country can rent land for use. The pastures, however, will remain state-owned due to the nomadic nature of the existing animal husbandry.

The Small Hural session, which was opened on September 25 to last 75 days, focuses on legislation.

State Rehabilitation Commission Holds Meeting

OW0910045391 Ulaanbaatar MONTSAME in English 1245 GMT 8 Oct 91

[Text] Ulaanbaatar, October 8 (OANA-MONTSAME)—The regular meeting of the State Rehabilitation Commission was held here today. At the meeting the report of the MPR [Mongolian People's Republic] Supreme Court on its work on rehabilitation of persons repressed on trumped-up political charges was heard and discussed. The report was made by the chairman of the MPR Supreme Court D. Dembereltseren.

In the last two and a half years the MPR Supremee Court has considered 545 cases in the result of which 2436 persons-victims of repressions were rehabilitated. Among the rehabilitated there are 355 office workers 106 workers 985 lames [as received] and 19 foreigners.

The Rehabilitation Commission members have discussed also the question on cmpensation of damage caused to the rehabilitated.

MONTSAME Reviews 8 Oct Daily Newspapers

OW0910041691 Ulaanbaatar MONTSAME in English 1241 GMT 8 Oct 91

["Mongolian Press Review"]

[Text] Ulaanbaatar, October 8 (OANA-MONTSAME)—The newspaper BODLYN SOLBITSOL (supplement to the newspaper "UNEN") published an interview of the secretary of the Central Council of the Mongol-Soviet Friendship Society D. Tsogozolmaa. She notes that Mongol-Soviet friendsip months, which made considerable contribution to strengthening friendship and cooperation of peoples of the two countries, were celebrated 39 times in the years past. She says that under new conditions we have to get rid of stereotypes, [and] increase efficiency arrangements we are organizing. Thus in this year it was decided to organize friendship days in one of the decades [as received] between October 5 and November 5 in certain [words indistinct], enterprises and organizations. As D. Tsogzolmaa notes the special attention will be payed to children and youth, [and] strengthening contacts between ordinary people. The main events of friendship days will be arrangements organized together with Novosibirsk region of the RSFSR.

Journalist H. Buyantogtoh writes in the paper about problems of rural population. He writes that the words "privatization", "exchange" "broker" unknown before and telling about the first steps of realization of the government economic policy are heard everywhere. [sentence as received] The journalist considers that the out-dated adminstrative methods already don't give effect. It's high time to draw attention to economic methods in rural areas. Certainly, democracy doesn't mean the abolition of exactingness, notes H. Buyantogtoh.

The newspaper of Ulaanbaatar City "NIYSLELIYN SONIN BICHIG" informs about putting into operation in Ulaanbaatar of a big traumatological hospital built by means and forces of the Soviet Union. Besides diagnostic and reanimation departments, different medical cabinets provided with modern equipment, there is a complex of public utilities for the service of patients. The hospital has 200 rpt 2000 [figures as received] beds and enables to use the new methods of medical treatment.

The paper carries the answers of the city committee of the MPRP [Mongolian People's Revolutionary Party] to questions of readers on the discussion of the question on changing the name of the MPRP into the Mongolian People's Party at the pending 21st party congress. The answers run that new internal and external factors are demanding the decisive renewal of theoretical and organizational basis and of the party activity. It's noted that processes of renovation taking place in the country demand the use of not revolutionary but evolutionary, gradual methods. It is said in the answers that in the party theoretical conception special attention will payed to examination of traditions of Mongolian philosophy with present ideas. The renewed MPRP will be party of the left respecting rights and freedoms of a person, democracy, justice. The party will pursue the course of cooperation with other parties in the interessts of political stability in the country .

The paper carries the list of enterprises and establishments, which are to be privatized.

North Korea

Kim Il-song Continues Tour of PRC Provinces

Leaves Shandong Province

SK1010020391 Pyongyang Korean Central Broadcasting Network in Korean 1400 GMT 9 Oct 91

[Text] The great leader Comrade Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and DPRK president, left Qufu after ending his visit to Shandong Province. The Qufu citizens warmly saw him off.

The great leader Comrade Kim Il-song, general secretary of the WPK and DPRK president, left Qufu on the evening of 9 October after ending his visit to Shandong Province.

Those who left along with him were Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Han Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Kim Yong-sun, member the WPK Central Committee and secretary of the party Central Committee; Comrade Chu Chang-chun, member of the WPK Central Committee and our country's ambassador extraordinary and plenipotentiary to the PRC; and Comrade Kang Sok-chu, alternate member of the WPK Central Committee and first vice foreign minister; and other members of the suite.

Those who also left were Comrade Wu Xueqian, member of the Politburo of the CPC Central Committee and vice premier of the State Council; Comrade Zhu Liang, member of the CPC Central Committee and head of the International Liaison Department of the party Central Committee; Comrade Xu Dunxin, vice foreign minister; Comrade Shi Xiyu, vice minister of railways; and Comrade Zheng Yi, the PRC's ambassador extraordinary and plenipotentiary to our country.

The streets of Qufu and the Qufu station compound were filled with a warm atmosphere of farewell. Strings and banners of various colors were flying along the street, and numerous people lined up along the avenue from his lodging to the Qufu Station. To see him off, the people came to the station compound and plaza carrying the flags of Korea and China, flower bouquets, flower fans, and various other decorations for farewell, and were beating drums and gongs, singing, and dancing.

Those who were present at the station compound to see off the great leader Comrade Kim Il-song were Comrade Jiang Chunyun, member of the CPC Central Committee and secretary of the Shandong provincial party committee; Comrade Zhao Zhihao, governor of the Shandong provincial people's government; Han Yuqun, deputy secretary of the Jining City party committee and mayor of the Jining City people's government; Comrade Xu Bingxi, deputy secretary of the Jining City party committee; Comrade (Cui Bao), secretary of the Qufu City party committee; Comrade (Fang Liqun), mayor of the Qufu City people's government; and other responsible officials of the party and administrative institutions in Shandong Province, Jining City, and Qufu City.

When the great leader Comrade Kim Il-song arrived at the station, people cheered "warm farewell to President Kim Il-song!" and "farewell, farewell, warm farewell!" The great leader Comrade Kim Il-song passed the crowd, saluting it in return for its enthusiastic applause. The great leader Comrade Kim Il-song exchanged greetings with the senior officials who came out to bid farewell to him. The great leader Comrade Kim Il-song boarded the train, waving to the enthusiastically cheering crowd.

Arrives in Jiangsu Province

SK1010063391 Pyongyang Korean Central Broadcasting Network in Korean 0400 GMT 10 Oct 91

[Text] The great leader Comrade Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central

Committee and DPRK president, has arrived in Nanjing City. The Nanjing citizens enthusiastically welcomed him.

To visit Jiangsu Province, the great leader Comrade Kim Il-song, general secretary of the WPK Central Committee and DPRK president, arrived in Nanjing City, the provincial capital, today.

Those who arrived with him were Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Han Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Kim Yong-sun, member the WPK Central Committee and secretary of the party Central Committee; Comrade Chu Chang- chun, member of the WPK Central Committee and our country's ambassador extraordinary and plenipotentiary to the PRC; and Comrade Kang Sok-chu, alternate member of the WPK Central Committee and first vice foreign minister; and other members of the entourage.

Those who also arrived were Comrade Wu Xueqian, member of the Politburo of the CPC Central Committee and vice premier of the State Council; Comrade Zhu Liang, member of the CPC Central Committee and head of the International Liaison Department of the party Central Committee; Comrade Xu Dunxin, vice foreign minister; Comrade Shi Xiyu, vice minister of railways; and Comrade Zheng Yi, the PRC's ambassador extraordinary and plenipotentiary to our country.

Nanjing City, which was receiving the great leader Comrade Kim Il-song again after 16 years, was filled with great emotion and joy, and the streets were beautifully decorated in an atmosphere of welcome. Red flags and strings of banners were hoisted along the avenue from the Nanjing Station to the lodging. The two countries' flags were vigorously flying on the flag poles at the station as if they were symbolizing the militant friendship and unity between the Korean and Chinese people forged in carrying out the socialist cause. The station compound and the station plaza were filled with hordes of people who, with the great honor and joy of receiving the great leader Comrade Kim Il-song, came carrying the Korean and Chinese flags, flower bouquets, balloons, colored ribbons, and various other decorations for welcome.

Those who came to the station to receive the great leader Comrade Kim Il-song were Comrade Shen Daren, member of the CPC Central Committee and secretary of the Jiangsu provincial party committee; Comrade Chen Huanyou, deputy secretary of the Jiangsu provincial party committee and governor of the Jiangsu provincial people's government; Comrade Gu Hui, commander of the People's Liberation Army [PLA] in the Nanjing Military Region; Comrade Shi Yuxiao, political commissar of the PLA in the Nanjing Military Region; Comrade (Gao Hu), secretary of the Nanjing City party committee; Comrade Wang Zhancheng, mayor of the Nanjing City people's government; and various other responsible officials of the party, administrative, and military institutions in Jiangsu Province and Nanjing City. Our country's students and trainees in Nanjing also came.

At 1030 Pyongyang time this morning [0130 GMT], the train carrying the great leader Comrade Kim Il-song slowly entered the Nanjing Station compound. At that time, thunderous applause from the wide station compound shook the heaven and earth, and a sea of flowers was vigorously sweeping the plaza.

The crowd, chanting "we warmly welcome President Kim Il-song!" and "welcome, welcome, warm welcome!" at the top of its voice, expressed its high respect and boundless admiration for the great leader Comrade Kim Il-song. Children and students, who were wearing costumes that they wear on festive days, were dancing to the tune of our country's songs and enthusiastically welcomed the great leader. The great leader Comrade Kim Il-song, in return for its applause, waved to the crowd and exchanged warm greetings with senior officials who came to receive him. A child presented a fragrant bouquet to the great leader Comrade Kim Il-song. The great leader Comrade Kim Il-song, passing the crowd which was applauding, saluted it in return for its applause. While the sound of applause was being further heightened and while the sea of flowers was sweeping, the great leader Comrade Kim Il-song boarded a car and headed for his lodging.

Numerous people lined up along the avenue from the station and the lodging warmly welcomed the great leader Comrade Kim Il-song, who was visiting Nanjing City, while leaving an imperishable trace on the annals of traditional friendship between Korea and China.

Meets Jiang Zemin in Nanjing

SK1010073591 Pyongyang Korean Central Broadcasting Network in Korean 0700 GMT 10 Oct 91

[Text] The great leader Comrade Kim Il-song has met Comrade Jiang Zemin again.

The great leader Comrade Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and DPRK president, again met Comrade Jiang Zemin, general secretary of the CPC Central Committee, on the morning of 10 October at Dongjiao Guest House in Nanjing City.

Present on this occasion were Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Han Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Kim Yong-sun, member of the WPK Central Committee and secretary of the party Central Committee; Comrade Chu Chang-chun, member of the WPK Central Committee and our country's ambassador extraordinary and plenipotentiary to the PRC; and Comrade Kang Sok- chu, alternate member of the WPK Central Committee and first vice foreign minister; and other members of the entourage.

Also present on this occasion were Comrade Wu Xueqian, member of the Politburo of the CPC Central Committee and vice premier of the State Council; Comrade Wen Jiabao, alternate member of the Secretariat of the CPC Central Committee and director of the General Office of the party Central Committee; Comrade Zhu Liang, member of the CPC Central Committee and head of the International Liaison Department of the party Central Committee; Comrade Shen Daren, member of the CPC Central Committee and secretary of the Jiangsu provincial party committee; Comrade Chen Huanyou, deputy secretary of the Jiangsu provincial party committee and governor of the Jiangsu provincial people's government; Comrade Wu Xijun, vice provincial governor; Comrade Xu Dunxin, vice foreign minister; and Comrade Zheng Yi, the PRC's ambassador extraordinary and plenipotentiary to our country.

On this occasion, Comrade Jiang Zemin presented a flower basket to the great leader Comrade Kim Il-song to congratulate the WPK on the 46th anniversary of its founding and warmly prayed for its strengthening and development, because it is the organizer of all the victories of the Korean people and their guiding force.

The great leader Comrade Kim Il-song expressed his appreciation for this and had a comradely and friendly conversation with Comrade Jiang Zemin.

U.S. Air Force, Navy 8 Oct Exercises Reported

SK1010085791 Pyongyang KCNA in English 0829 GMT 10 Oct 91

[Text] Pyongyang October 10 (KCNA)—The U.S. Pacific Air Force and Navy commands Tuesday sent several formations of fighter planes to the sky above South Korea for a provocative joint aerial war exercise, according to military sources.

Formations of Pacific-based fighter-bombers, assault planes and observation planes were frantic in a joint war exercise to attack major targets in the strategical depth of the northern half of Korea in cooperation with formations of fighter-bombers of the U.S. Air Force present in South Korea and the South Korean puppet air force in the skies above Anmyon islet, Kunwi and Yoju, South Korea.

On the same day the U.S. imperialists' E-3A AWACs, U-2 high- altitude strategical reconnaissance plane, EH-60 electronic war helicopters and army tactical reconnaissance planes of various types made shuttle flights from the sky above the military demarcation line and Anmyon islet to the sky above Yonchon area for aerial espionage on the depth and frontline areas of our side.

Meanwhile, the South Korean puppets committed a war manoeuvre simulating infiltration into the depth of our side, letting formations of armed helicopters make an ultra low-altittude flight in the areas of cholwon county of South Korean Kangwon Province and Yonchon County, Kyonggi Province, adjacent to the demilitarized zone of the military demarcation line.

The situation of the Korean peninsula is becoming more strained and the danger of war is daily growing owing to the frantic war maneuvers of the U.S. imperialists and the South Korean puppets.

Foreign Minister Meets U.S., Foreign Officials

SK1010011191 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 6 Oct 91

[Text] On 3 October, Kim Yong-nam, vice premier and foreign minister, who is currently participating in the 46th conference of the UN General Assembly, met and held talks with the foreign ministers of Indonesia and the Philippines. On 4 October, our country's foreign minister met the foreign minister of Uruguay. During the meetings, the foreign ministers enthusiastically congratulated our admission into the United Nations.

Also on 4 October, our country's foreign minister separately met and held talks with Stephen Solarz, chairman of the U.S. Subcommittee for East Asian and Pacific Affairs of the Foreign Affairs Committee of the House, and Gaston Sigur, former U.S. assistant secretary of state.

Asian Lawyers Issue Statement on Korean Problem

SK0410151391 Pyongyang KCNA in English 1500 GMT 4 Oct 91

[Text] Pyongyang October 4 (KCNA)—The participants in the second Asia-Pacific conference of lawyers which was held in Tokyo released a joint statement on Korea on September 28.

The joint statement reads in part:

We lawyers in the Asian-Pacific region who value justice, peace and national sovereignty, regarding it an urgent pending question which is directly related to peace and security in Asia to remove the danger of a nuclear war and guarantee peace in Korea, express firm solidarity with the reasonable proposals for the denuclearisation of the Korean peninsula and the reunification of Korea and the just struggle of the Korean people for their materialisation.

We hold that in order to defuse tensions on the Korean peninsula and create preconditions for peace and peaceful reunification, the armistice agreement must be replaced with a peace agreement, the U.S. troops and nuclear weapons be withdrawn from South Korea and a nonaggression declaration between the North and the South be adopted.

We strongly demand that the suppression of the people who demand independence, democracy and reunification be stopped, the fascist evil laws be scrapped and the Rev. Mun Ik-hwan, woman student Yim Su-kyong and other illegally arrested figures and students be released forthwith in South Korea.

We earnestly appeal to the Asian and world lawyers and peaceloving people to strengthen support and solidarity for the righteous struggle of the Korean people to establish national sovereignty throughout the country.

Committee Denounces South Nuclear Power Station

SK1010095091 Pyongyang KCNA in English
0851 GMT 10 Oct 91

[Text] Pyongyang October 10 (KCNA)—The South Korean puppets must cancel at once the plan to build a nuclear power station in a bid to aggravate antagonism and confrontation between the fellow countrymen and increase the danger of war, going against the worldwide trend towards denuclearization and peace and the desire of the Korean people and the world people for turning the Korean peninsula into a nuclear-free, peace zone.

A spokesman for the Korea Anti-Nuke Peace Committee says this in a statement issued today.

The South Korean puppets' plan to build a nuclear power station in Myongpa-ri, Hyonnae Myon, Kosong County, South Korean Kangwon Province, eight kilometres south of the central Military Demarcation Line (MDL) is a grave threat to our security and a treacherous, criminal act against the will of the entire fellow countrymen ardently desirous of peace and peaceful reunification, the spokesman notes, and stresses:

At a time when the establishment of nuclear-free zones and nuclear arms reduction in the world have become vital issues related to the destiny of mankind and an irresistible trend of time, they are scheming to build a nuclear power station in a MDL area of South Korea where more than 1,000 nuclear weapons of the United States have been deployed. It is an ill-boding move which should not go unnoticed.

The spokesman further says:

The puppets' plan to build a nuclear power station in Kosong area is part of their premeditated nuclear war preparations.

Myongpa-ri where they are going to build a nuclear power station is the gateway to world-famous Mt. Kumgang of which our country is proud, and Mt. Solak.

Their scheme to build it at a beauty spot which our nation has valued and cared for through generations shows how desperately they are trying to provoke a nuclear war and proves that the No Tae-u group is a clan of warmaniacs and truculent traitors to the nation who are clean indifferent to the nation and the country.

While scheming to lay a nuclear barrier on the concrete wall built along the MDL, the No group is committing a crime indelible down through generations to come.

Our people who value the dignity and sovereignty of the nation and love peace will never pardon the criminal moves of the warmaniacs to ruin the country and plunge the entire fellow countrymen into a nuclear disaster.

The spokesman expresses the hope that the South Korean people will struggle more staunchly to check the puppets' moves to build a nuclear power station.

Unification Group's Statement

SK0910154791 Pyongyang KCNA in English
1528 GMT 9 Oct 91

[Text] Pyongyang October 9 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in Information No. 602 issued today denounces the No Tae-u military fascist ruling group for planning to build a nuclear power station in an area near the Military Demarcation Line to further aggravate North-South confrontation and tension.

The puppet authorities are going ahead with a plan to build a nuclear power station in Myongpa-ri, Hyonnae Myon, Kosong County, South Korean Kangwon Province, just eight kilometres away from the Military Demarcation Line, the information says, and continues:

They said this area has been chosen for the construction of a nuclear power station because it is an area prohibiting the entry of civilians and there is River Myongpa enough for a power station. But it is nothing but a pretext for veiling their sinister intention.

It is apparent that if a nuclear power station is built there and it causes a nuclear leakage, it will destroy the natural environment and ecological conditions and, further, take the lives of many visitors to Mt. Kumgang and bring irrevocable damages to the area of our side.

What the South Korean puppets really intend in building a nuclear power station at the door of ours is to further deteriorate North-South antagonism and confrontation, invent a pretext for invading the North and freezing the division of our nation.

The No Tae-u ruling group must cancel the projected construction of a nuclear power station at once as demanded by the entire Korean people including the South Korean people, and stop such foul acts as aggravating North-South confrontation and tension.

Hanminjon Greets Kim Il-song on WPK Anniversary

SK1010082591 Pyongyang KCNA in English
0800 GMT 10 Oct 91

[Text] Pyongyang October 10 (KCNA)—A message of greetings came to the great leader Comrade Kim Il-song today from the Central Committee of the South Korean

National Democratic Front (Hanminjon) on the 46th founding anniversary of the Workers' Party of Korea.

The founding of the WPK was a solemn birth of a chuche-type revolutionary party which takes deep roots in the glorious Down- With Imperialism Union (DIU) and a historical event that brought about a radical change in the development of the revolution of chuche which started on Mt. Paektu, the message says, and continues:

The 46-year long history of the WPK is proud annals which scored a fine fruition in successfully implementing your unique, chuche- based idea and theory on party building and a course of victory and glory in which it has brought about the great heyday of national prosperity and development.

In the long-drawn-out arduous yet fruitful struggle, the message notes, the WPK has strengthened and developed into a tested political staff that has triumphantly paved the way for the cause of chuche, overcoming manifold difficulties and trials, into a veteran party that has performed great feats and gained rich experience in the revolution and construction and into an invincible party that enjoys unquestioned support and trust from the people.

It is another pyramid glorifying the Workers' Party era that the whole party and the entire people are closely rallied as a perfect socio-political organism with you the respected leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il as the centripetal point, the message says.

As it is accelerating the revolution and construction with the great idea, perfect theory and scientific method and advancing in the van of the era of independence with the revolutionary principle and steadfast fighting spirit against imperialism, the WPK earns itself a world-famous fame as the most authoritative and influential militant party, it notes, and stresses:

Hanminjon, in line with its chuche-based program of struggle, has triumphantly covered in the van of the people the rigorous road of struggle for independence against U.S., democracy against fascism and for national reunification and the anti-U.S., anti-dictatorial struggle for national salvation is being further intensified as the days go by.

With the situation within and without remaining complicated and the enemy's moves getting more desperate, Hanminjon will go deeper into the masses of people and conduct political activities among them so as to build strong forces for revolutionary movement and intensify the anti-U.S., anti-fascist struggle and thus accomplish the great, historical cause of independence, democracy and reunification at an early date.

The message wishes Comrade Kim Il-song good health and long life.

Message to Kim Chong-il

SK1010085291 Pyongyang KCNA in English 0822 GMT 10 Oct 91

[Text] Pyongyang October 10 (KCNA)—The dear leader Comrade Kim Chong-il today received a congratulatory message from the Central Committee of the South Korean National Democratic Front (Hanminjon) on the occasion of the 46th anniversary of the founding of the Workers' Party of Korea [WPK].

The message says that the WPK's founding was a great historic event announcing the birth of the chuche-type party, a new-type revolutionary party whose guiding idea is the chuche idea, a philosophical idea of centering on people for the first time in history, and which struggles to realize the cause of chuche.

From the first days of its founding, the Workers' Party of Korea has led revolution and construction to victory, holding itself responsible for the destiny of people and performed brilliant exploits for the time and the nation, the message says, and goes on:

You the dear leader, genius of thought and guidance, formulated the leadership of the party as a lifeline for the cause of socialism and the cause of chuche and has further strengthened and developed the WPK into a party of chuche which breathes and pulsates only with the chuche idea.

As you the dear leader stand in the van, the Workers' Party of Korea is winning fame as a party of chuche in the storm of the times and making its appearance before the footlights of the times as a dignified vanguard party of the world working class which remains faithful to its cause without vacillation in the fast-changing world situation and true to the principle.

Hanminjon has been strengthened and developed into an invincible patriotic vanguard in the flame of the fierce anti-U.S., anti- dictatorship struggle and the driving force of the movement for change in South Korea has incomparably grown and strengthened under its influence.

We will dye our ranks with the chuche idea under the ever- victorious banner of the chuche idea, firmly build up Hanminjon organisation and thus discharge its mission and role as a patriotic vanguard detachment of people and hasten victory in the struggle for independence, democracy and reunification.

The message wishes Comrade Kim Chong-il good health and long life.

University Head Urges Unhampered Student Visits

SK0510061691 Pyongyang KCNA in English 0532 GMT 5 Oct 91

[Text] Pyongyang October 5 (KCNA)—Kim Kyong-wan, president of the Kim Chaek University of Technology, in a press statement October 4 demanded that the South Korean authorities not block the visits of students in the North and the South.

He said:

Talking about the meeting of students of the North and the South presupposing their inter-Korean travel the South Korean authorities claim that they "allowed" contact, not visit to the North, and they cannot admit the points agreed upon by the students or allow their travel because they include a "political problem". This is a poor excuse to justify their unreasonable assertion and a far-fetched claim which cannot convince anyone.

By blocking the northern trip of students of the Konguk University the South Korean authorities clearly showed again that "opening", "exchange" and "unification" about which they have been loud-mouthed are all lies and a trick to mislead public opinion at home and abroad.

He expressed the firm belief that independent contact and exchange of students in the North and the South will be realised without fail in not a distant future thanks to their persistent struggle and unanimous support of the entire nation.

KCNA Reviews 9 Oct Pyongyang Press

SK0910054291 Pyongyang KCNA in English 0500 GMT 9 Oct 91

[Press review]

[Text] Pyongyang October 9 (KCNA)—Papers here today give wide publicity to the China visit of the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of korea and president of the Democratic People's Republic of Korea.

Carried in the press is a photo-accompanied report that President Kim Il-song visited Taian, Shandong Province.

He arrived in Qufu and the Jining City, Shandong Province, Committee of the Communist Party of China and the Jining City People's Government arranged a dinner in honor of President Kim Il- song on a visit to Qufu, according to the press.

Chinese news media reported about the sojourn of President Kim Il-song in China, says the press.

Given in the press is a message of greetings sent by President Kim Il-song to Yoweri Museveni, president of Uganda, on the occasion of the 29th anniversary of the national day of the Republic of Uganda.

Printed in the press is what a Tanzanian political figure said about "For a Free and Peaceful New World," an immortal classical work of President Kim Il-song.

Papers give an account of a meeting of working people in Pyongyang held on the lapse of 46 years after President Kim Il-song met workers of Kangson.

Cooperative farms throughout the country are stepping up threshing, says NODONG SINMUN.

Papers report about the sojourn in Japan of the premier of the Administration Council and the delegation of the DPRK after participating in the 46th U.N. General Assembly session. The foreign minister of the DPRK called a press conference in Tokyo, according to the press.

Papers introduce the Chollima steel complex on the occasion of the day of metal workers (October 9).

NODONG SINMUN rounds up repercussions of the performances given by the Pochonbo light music troupe upon Japan under the title "Songs of High Pride of the Nation, Performance Showing the Future of Socialist Korea".

The national football matches of school children for "Chong-il Peak Prize", marathon competition for "Thousand-ri-long Journey for Learning Prize" and table tennis contests for "Juvenile Table Tennis King Cup" opened, says the paper.

Given in the paper is an account of a meeting held in New Delhi on the occasion of the month of support to the proposal for founding the democratic confederal republic of Koryo.

The paper comes out with a commentary denouncing the No Tae-u ruling group's fascist suppression of patriotic pro-reunification democratic forces.

Papers carry a statement issued to the press by the president of Kim Hyong-chik University of Education and an account of an indignation meeting of youth and students held in Hyesan City, condemning the South Korean authorities for blocking the visit of students of Konguk University of South Korea to the northern half of Korea.

A Pyongyang mass meeting was held to welcome a South Korean student who came over to the northern half of Korea while studying in Japan and a working-level contact between delegates of the Student Committee of Kim Chaek University of Technology and delegates of the General Student Council of Hanyang University in Seoul proved abortive owing to the obstructive moves of the South Korean authorities, says the press.

World public and mass media supported the DPRK's entry into the United Nations, according to the press.

Papers introduce the achievements of China in socialist construction.

Papers report that a spokesman of the Vietnamese Foreign Ministry outlined the expansion of economic relations between Vietnam and China, the Malaysian paper

NEW STRAITS TIMES called for democratizing the United Nations and a recent issue of the Soviet paper IZVESTIA carried an article headlined "Asia Has Not Yet Given Us Foreign Currency".

Papers observe the national day of Uganda.

KCNA Reviews 10 Oct Pyongyang Press

SK1010090891 Pyongyang KCNA in English 0810 GMT 10 Oct 91

[Press review]

[Text] Pyongyang October 10 (KCNA)—Papers here today carry a photo-illustrated report that the great leader Comrade Kim Il- song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, staying in China went round historical and cultural relics in Qufu and another report that he left Qufu after the visit to Shandong Province.

News media of China and different countries gave wide publicity of the sojourn of President Kim Il-song in China, says the press.

NODONG SINMUN carries a message of greetings to President Kim Il- song from the Central Committee of the South Korean National Democratic Front on the occasion of the 46th anniversary of the founding of the Workers' Party of Korea.

It is reported in the press that President Kim Il-song was presented with a floral basket by delegates of parties and friendship organisations of Latin America and Caribbean region who had participated in the functions of the international solidarity march for supporting Korea's reunification, on the occasion of the 46th founding anniversary of the WPK.

Carried in NODONG SINMUN are messages of greetings to President Kim Il-song from foreign party and state leaders on this occasion.

The paper prints a message of greetings sent by the WPK Central Committee to the 4th congress of the Communist Party of Cuba.

It is reported in the paper that the Central Committee of the WPK received a floral basket from the C.C., the Communist Party of China and a message of greetings from the C.C., the Mongolian People's Revolutionary Party, on the occasion of its 46th birthday.

On this occasion papers editorially call for adding lustre to mass-centred socialism of our style under the banner of the party.

Under the titles "WPK Vigorously Advancing To Accomplish Revolutionary Cause of Chuche" and "Invincible Is Our People Always Advancing Under the Leadership of the Party" papers carry articles and photos on the 46th anniversary of the WPK founding.

Foreign party officials staying here were interviewed by reporters in Pyongyang, reports NODONG SINMUN.

Economic news columns of the press include reports that rice and maize harvesting was completed across the country and medium and small power stations were built in the Mt. Paekdu area.

Papers inform the readers that many photos and other data showing the Korea-China friendship were on display in the Korean revolution museum.

The song and dance ensemble of the Chinese People's Armed Police Force gave the premiere in Pyongyang, says the press.

NODONG SINMUN comes out with an article saying that the proposal for founding the democratic confederal republic of Koryo is a most reasonable, great programme for national reunification.

NODONG SINMUN reports that the chairmen of the Central Committees of the Korean Buddhists Federation and the Korean Roman Catholics Association issued statements to the press denouncing the South Korean authorities for blocking visits to the North and the South by students.

South Korean news columns of the press include reports that Chondaehyop [National Council of University Student Representatives] declared to further strengthen the struggle for national reunification and students of the national language course of Konguk University held a prayer meeting for reunification, at which they demanded that the puppet authorities refrain from barring independent exchange of students in the North and the South.

The U.S. imperialists and the South Korean puppets staged war exercises against the North, according to NODONG SINMUN.

Given in papers is an account of a reception arranged by the Soviet Ambassador to Korea on the 43rd anniversary of the opening of the diplomatic relations between the DPRK and the USSR.

"Independence, Peace and Friendship Is Basic Ideal of Our Republic's Foreign Policy" is a title of a NODONG SINMUN article.

Papers report that Comrade Jiang Zemin supported the normalisation of the Japan-Korea relations, delegates to the 4th congress of the Communist Party of Cuba were selected in Cuba and the State Council of China issued a directive on saving grain.

NODONG SINMUN introduces the development of agriculture in China and the the sugar industry in Cuba.

International news columns of the paper include a report that the Philippines demanded an early withdrawal of the U.S. armed forces.

South Korea

Talks on Nuclear Issues, Arms Cuts Proposed

SK1010100491 Seoul YONHAP in English 0851 GMT 10 Oct 91

[Text] Seoul, Oct. 10 (YONHAP)—Prime Minister Chong Won-sik told the National Assembly Thursday that Seoul would discuss nuclear issues and arms reduction with Pyongyang if North Korea halted nuclear development, accepted outside inspection of its nuclear facilities and adopted confidence-building measures.

"If North Korea gives up nuclear development, accepts international inspection of its nuclear facilities and takes confidence-building measures, our government can discuss with it nuclear issues as well as cuts in conventional arms," he told the full Assembly.

North Korea had evaded international inspection of its nuclear facilities even though it joined the Nuclear Nonproliferation Treaty in 1985, Chong said, and its nuclear program was a threat to the security of the Korean peninsula and Northeast Asia.

"Above all, North Korea should accept nuclear inspection. Tripartite talks for denuclearization of the Korean peninsula would be improper," he said.

Reports say North Korea is only a few years away from making an atomic bomb or is already capable of doing so. Governments around the world are pressing the hard-line communist state to open its nuclear facilities to outside inspection, but it refuses to do so, maintaining it will do so only after the United States withdraws its nuclear weapons from South Korea.

Regarding the fourth round of inter-Korean prime ministers' talks, set to open in Pyongyang on Oct. 22, Chong said he would try his best to produce a "significant and productive" consensus in the meeting and to raise the level of dialogue to that of a summit.

"I will strive to settle questions of non-aggression and the three agreements (travel, transportation and telecommunication) in a package in the prime ministers' talks. I think a consensus can be formed," Chong said.

North Korean Prime Minister Yon Hyong-muk said in an address to the U.N. General Assembly recently that an inter-Korean summit was possible if the premiers' talks were a success, but Chong said Yon's statement could not be interpreted as a sign that the North wanted a summit in the near future.

An inter-Korean summit "could not and should not" be used for domestic politics, Chong said.

PRC's 'Cool Attitude' Toward Kim Il-song Noted

SK1010035091 Seoul YONHAP in English 0243 GMT 10 Oct 91

[Text] Tokyo, Oct. 10 (YONHAP)—The Chinese Government is showing a rather cool attitude toward visiting North Korean leader Kim Il-song and his proposals on political matters, the Japanese daily ASAHI SHIMBUN reported Thursday.

In a Beijing-datelined story, the newspaper quoted diplomatic sources in Beijing as saying that they believed Chinese Communist Party General Secretary Jiang Zemin told Kim that China would keep to five principles of peaceful coexistence in its foreign relations. The report pointed out that Jiang told a foreign visitor that China and North Korea were no longer allies.

As for Kim's long-standing position that there should be international nuclear inspection of both South and North Korea after the withdrawal of nuclear weapons held by the U.S. forces in the South, China did not give a direct answer, ASAHI said.

Kim visited China for three days from Oct. 4.

ASAHI said China also refused to positively respond to Kim's request that Beijing be discreet in recognizing South Korea, and told him the matter was purely an internal concern.

The national daily said Kim failed to earn the understanding of Chinese leadership concerning transfer of power to his son, Kim Chong-il.

Neither did China give a satisfactory answer to a North Korean request for greater economic assistance, the newspaper said.

One of the major purposes of Kim's visit to China was to observe economic reform in the country, ASAHI said, quoting diplomatic sources.

Kim has expressed his intention to establish special economic zones in North Korea for modernization of the economy and is eager to learn from the Chinese experience in the sector, ASAHI said, saying he had visited Jiangsu Province, the forefront of Chinese reform, on Oct. 10.

The Chinese leaders welcomed Kim on arrival at Beijing railway station and all vice premiers and many members of the Polituro attended the welcoming party to show to the world that the two countries remained allies under the Communist flag, undaunted by the Soviet changes.

In effect, however, it seemed that China was trying to change this alliance into "an extremely general, good neighborly" relationship, the paper said.

It noted that Xinhua (New China) News Agency, called South Korea by its official name, the Republic of Korea, after the two Koreas became members of the United Nations last month and that China was following in

Soviet steps by demanding that North Korea settle its trade accounts with hard currency.

Korea was divided into communist north and capitalist south at the end of World War II in 1945. After decades of animosity, South Korea and China began improving relations rapidly after the summer Olympics in Seoul in 1988 and, though they still lack formal ties, have exchanged trade missions.

Seoul, Beijing Schedule Talks To Improve Ties

SK1010135291 Seoul YONHAP in English 1312 GMT 10 Oct 91

[Text] Seoul, Oct. 10 (OANA-YONHAP)—South Korea and China are to have a series of bilateral talks aimed at improving practical ties this month in Seoul.

A third round of aviation talks is slated to be held to discuss a proposal for opening a regular direct air route between the two countries. The two sides are to resume negotiations on such non- political topics as trade agreement and accords on investment protection and avoidance of double taxation by the end of the month or early next month at the latest, a government official said.

The official said he anticipates a promising outcome from those contacts in view of the fact that they are made in Seoul, not in Beijing, prior to Chinese Foreign Minister Qian Qichen's visit to Seoul. Qian is to visit South Korea in mid-November to participate in an international meeting.

Korea and China had unofficial working-level consultative meetings to discuss opening direct air routes on two occasions in February and in may but the two sides are yet to iron out differences.

Seoul continues to insist on Seoul-Beijing route while Beijing wants Seoul-Shanghai or Seoul-Tianjin route.

Both sides are, however, likely to sign economic agreements at the coming Seoul meetings because they narrowed differences in talks in august in Beijing, the official said.

PRC Media Begin Using Republic's Official Name

SK1010132691 Seoul SEOUL SINMUN in Korean 10 Oct 91 p 2

[By correspondent Choe Tu-sam from Beijing]

[Text] It was learned on 9 October that, in the wake of the simultaneous admission of North and South Korea into the United Nations, China has decided to allow the use of the official name of Korea, the Republic of Korea, which is seen as preliminary to official recognition of the state.

According to a source in Beijing, shortly before the admission of the South and North into the United Nations in mid-September, Chinese news organizations, such as newspapers and broadcasting stations, had received from the Chinese authorities what is known as "an internal document" allowing them to use the official name of Korea, "the ROK".

As a result, all news organizations in China such as TV and radio, as well as XINHUA NEWS AGENCY and RENMIN RIBAO, have started to use "the ROK," appropriately alternating with "South Korea," the name they have been accustomed to using for the ROK.

This source said that Chinese Foreign Minister Qian Qichen's use of "the ROK" during his stay in the United Nations should also be understood in this context.

He went on: Although China has not officially recognized the ROK, even after its admission into the United Nations, China is now in the preliminary stage of official recognition.

Army Interested in Buying U.S. Patriot Missiles

SK1010024091 Seoul THE KOREA TIMES in English 10 Oct 91 p 2

[Text] Washington (Yonhap)—Raytheon Co., the U.S. manufacturer of the Patriot missile, said Tuesday that South Korea had expressed an interest in acquiring its antimissile defense system but had not placed an order yet.

"When such an order is approved by the U.S. Government, Raytheon will work with the army and the Department of Defense to fulfill that requirement," Dick Sherman, media relations manager, said.

The Korean Defense Ministry said it was interested in purchasing the antimissile defense system. However, no decision has been made yet, the ministry said.

U.S. Bank Given Suspension for Currency Deals

SK1010131591 Seoul YONHAP in English 1240 GMT 10 Oct 91

[Text] Seoul, Oct. 10 (OANA-YONHAP)—The Seoul branch of Manufacturers Hanover Trust Company (Mantrust) turned out to have engaged in outlawed foreign exchange deals, auditors at the Office of Bank Supervision (OBS) said Thursday.

The Finance Ministry and the OBS ordered that the foreign exchange currency dealings of the American bank be suspended for three days from Monday.

Auditors accused the U.S. bank branch of having brought in 25 million U.S. dollars through illegal foreign exchange transactions via its sister branches in Hong Kong and Tokyo and used the money for offering loans to local businesses.

The branch violated the law governing foreign exchange dealings and disturbed the domestic money and credit order by converting the dollars into local currency for its loan operation in local money markets, a Finance Ministry official charged.

It performed a swap sales of U.S. dollars for yen with its sister branch in Tokyo and made another swap deal with Hong Kong branch at wilfully fixed exchange rates, the official said.

Soviet Banker Assures Moscow's Solvency for Debts

SK1010112891 Seoul YONHAP in English 0907 GMT 10 Oct 91

[Text] Seoul, Oct. 10 (YONHAP)—Victor Geraschenko, chairman of the State Bank of the Soviet Union, said Thursday that Soviet creditworthiness was a good enough that South Korea should increase its investments in his country.

"You need not worry about insolvency," Geraschenko told reporters. "The Soviet Union is pushing ahead with an economic cooperation accord with 12 republics, so each republic will take joint responsibility for external debts."

He said Moscow had never failed to pay its debts and the domestic situation was tilting toward stabilization.

Geraschenko asked for more Korean investment in his country, saying it lacked money to expand imports of consumer goods as much as it wanted.

He predicted that the Soviet economy would soon break out of its slump because it was freed from excessive production of military items and below-cost exports to the communist bloc.

Urges Faster Loan Deliveries

SK1010111691 Seoul YONHAP in English 0712 GMT 10 Oct 91

[Text] Seoul, Oct. 10 (YONHAP)—Victor Geraschenko, chairman of the State Bank of the Soviet Union, said Thursday that South Korea was too slow handing over loans it had promised to Moscow and asked for things to be speeded up.

Moscow would abide by international agreements just as the communist government had respected accords signed by czarist Russia, he assured Kim Kun, governor of the Bank of Korea.

The Soviet Union, despite conflicts between secessionist republics and the central government, was moving toward stabilization, Geraschenko said.

Seoul promised Moscow cash loans of 1 billion U.S. dollars and tied loans of 800 million dollars this year, but it has released only 500 million dollars in cash loans.

Kim proposed to Geraschenko that he meet with Korean bank officials to expedite the process.

Geraschenko, who arrived here Wednesday, leaves Saturday for Bangkok to attend the annual general meeting of the International Monetary Fund on Tuesday.

Plan for Moscow Trade Center Progresses Steadily

SK0910132291 Seoul YONHAP in English 1259 GMT 9 Oct 91

[Text] Seoul, Oct. 9 (OANA-YONHAP)—South Korea's plan to build a trade center in Moscow is making steady headway as the Soviet political situation has been restored to normal after the August putsch, the Korea Trade Promotion Corp. (KOTRA) said Wednesday.

KOTRA sent a working-level negotiation team to Moscow in mid- September and reached an agreement in principle to use a 7,600-pyong (25,080 square meters) site for the center in talks with the Moscow municipal government, a KOTRA official said.

The two sides agreed that the Korean side pay as rental fee 25 million U.S. dollars in consumer goods, technological aid and industrial facilities. An additional cash compensation of 3.7 million dollars was also agreed on, he said.

The land lease term was set at 49 years but it was agreed to extend it, if necessary, by 99 years through bilateral agreements in the future, he said.

KOTRA convened a meeting of the Korea-Soviet Trade Center Construction Committee on Tuesday and selected Lucky Gold-Star, Daewoo, Samhwan Corp., Lotte Department Store and Pohang Iron and Steel Co. as founder-investors.

Cooperation Memo Signed With Soviet Institute

SK0910070491 Seoul YONHAP in English 0630 GMT 9 Oct 91

[Text] Seoul, Oct. 9 (YONHAP)—The Korea Maritime Institute and the Soviet State Research Institute of Merchant Marine (Soyuzmorniiproekt) signed a memorandum on research cooperation Wednesday.

The memorandum encourages exchanges of study teams and data and joint marine study.

Institute Director Felix Arakelov and Merket Rostislav, the pro-rector for the Odessa Insititute of Marine Engineers, are to speak on Soviet maritime policy and education of seamen at a seminar here Thursday.

Soyuzmorniiproekt, established in 1939, has 8,000 fellows in branches in six cities, including Moscow, St. Petersburg, Odessa and Baku. They study world maritime policies and technologies, consult on harbor planning, develop port management and computerize marine control systems.

Moscow-Seoul-Pyongyang Trade Relations Viewed

SK0910045291 Seoul THE KOREA HERALD in English 9 Oct 91 pp 1, 5

["Window on Korea and to the World" column by Vasiliy Mikheyev, deputy chief of Asian Socialists Countries Department of the Soviet Institute for International Economic and Political Studies: "Economic Cooperation Between USSR, Korea"]

[Text] The entrance of North and South Korea to the United Nations has changed the situation on the Korean Peninsula and points to a new way of solving the problems of economic cooperation between the USSR and the two Koreas.

And although the future of the USSR itself is not quite clear now and there are serious reasons to anticipate its final disintegration than its consolidation, still there is no doubt that the Korean Peninsula will preserve its strategic significance for the successor of the USSR in international affairs.

We suppose that Russia will succeed to the USSR on the sphere of international obligations and rights. And Russia has already stated that the Asian Pacific region is an important factor in its diplomatic and economic activity. Proceeding from the geopolitical factors and the policy of Yeltsin and his team we can expect the increase of Russian activity in Korea.

But the Russian heritage is not a rich one. Economic relations with the South have just been established but there are already some problems which are caused by the uncertainty of the political situation in the USSR, the vagueness of rights and obligations shared by the Union and the republic structures, the absence of real private business, market economy, etc.

In these circumstances credits to the USSR or Russia as previously settled means nothing more than the fulfilment of Seoul's obligation to give aid in exchange for political recognition. It is to show Seoul's reliability as a partner rather than guarantees of effective payback.

From this it seems logical to reconsider the credit agreement with the participation of Russia's, the Union's and South Korea's representatives in order to direct the credit to the Russian economy. Unfortunately this plan is barely practicable as yet, due to Gorbachev's and Yeltsin's illusions that they can in some way preserve the disintegrating Union.

The crisis in the economy of the DPRK adversely effects its relations with the USSR. Decline in production in almost all main branches of industry is a reality in 1991. Combined with rapid reduction of imports of raw materials it has increased North Korea's deficits which in its turn has led to practical closure of many plants and factories. Agriculture is unable to support the needs of the population and this forces the government to make considerable purchases abroad using the state gold-currency reserves.

The shift to new forms of cooperation (using international prices and hard currency in mutual trade relations) with the USSR has become the determining factor of the DPRK's foreign economic policy and regional orientation of its foreign economic relations.

Pyongyang's administrative-command economy appeared to be unready for such a shift. As a result, a sharp recession in cooperation between DPRK and USSR occurred in 1991. Trade commitments between North Korea and the USSR have practically failed.

In 1985 the North implemented 91 percent of its trade agreements with the USSR, in 1988—69 percent, in 1990—38 percent and in 1991 only 4 percent. The value of its debt to the USSR has grown up to 2.7 billion rubles ($4.5 billion).

We feel helpless about any improvement in cooperation. The disintegrating Soviet administrative economy with its limited market activity is hardly able to help the stagnating administrative-distribution economy of North Korea.

The possibilities of developing economic relations between the USSR or Russia and the two Koreas are related first of all to reforming the Soviet economy and creating normal private property and a civilized market in the USSR.

Without this there will be no success either in the South or the North. Moreover, in order to achieve success in trade relations with the North it is necessary to carry out proper reforms in DPRK.

However, there are no signs of this happening. And what is more, the reformation of North Korea in a similar way to East European countries, which have destroyed the socialist system, can lead to aggravation of the internal political instability.

New elements of the economic policy during last years—free export zones law, joint-venture law, foundation of such special firms and banks as Taesung Group etc.—do not change basic principles of North Koreas' centralized economy.

They are implemented in the framework of a "court economy" and their goal is to meet the needs of Kim Il-song, his clan and high- level bureaucrats. Cooperation with firms in a "court economy" can only have limited effect. Nevertheless there are opportunities for realization of new ideas in our relations. They are linked to North Korea's foreign aid needs after Soviet-North Korean relations have dropped almost to zero- level.

And potentially South Korea is a promising partner for the North. The two Koreas' entrance to the United

Nations opens new opportunities for cooperation between the North and South.

However on the way to success in inter-Korean relations there is a lot of political, economic and juridical red tape. The logic of eliminating this red tape, of solving objective problems leads to the idea of a mediator who could help establish an atmosphere of trust in inter Korean relations.

The USSR (or Russia as successor of Union's international role) which has diplomatic relations with both Koreas could play such a role. Politically the USSR could be a guarantor—through proper agreements with both Koreas—of a nonaggression pact between Pyongyang and Seoul. Economically Russia's role can also be very important.

The problem is that the absence of any kind of official relations between the two Koreas deprives them of trade exchanges on a juridical basis.

Businessmen don't have any guarantees and if trade volumes are rather large it is very doubtful that private companies from South Korea would risk the North Korea market.

Such a juridical basis and trade guarantees can be provided only by a country which has proper trade agreements with DPRK and the Rep. of Korea. And the USSR (or Russia) now is the only super-power around the Korean Peninsula which has such trade agreements. The Soviet mediatory role in promoting North-South trade relations seems to be in the interests of all three sides: Moscow, Seoul and Pyongyang.

There is also another variant of deepening cooperation between Russia and the two Koreas. It concerns North Korea's debt problem.

If Russia succeeds the rights and international obligations from the USSR, Russia will have a chance to reconsider credit agreements with the North. In this case it seems possible for Russia to give part of the North Korean debt into the hands of South Korean government after which Moscow and Seoul can found a special fund for support of North-South economic relations extra with funds provided by Seoul.

This fund can be used to insure business operations of South Korean companies in North Korea, for development of the North's infrastructure, science and education. The fund finally can be used to indirectly press North Korean leaders to shift their mentality toward a market economy.

In principle, Pyongyang can accept the idea of the fund under the pressure of its worsening economic situation. And in favor of the fact that Pyongyang is able, under the pressure of circumstances, to take into consideration the objective reality speaks well of North Korea's entrance to the United Nations together with South Korea.

Uruguay Round Talks 'Causing Alarm' for Farmers

SK0910020391 Seoul YONHAP in English 0128 GMT 9 Oct 91

[Text] Seoul, Oct. 9 (YONHAP)—Moves by participants in the Uruguay Round global trade talks to deny recognition of non-trade concerns (NTCS) are causing alarm in South Korea, which demands that rice be excluded from market liberalization.

Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade (GATT), plans to submit a proposal late this month to reject NTCS, an official at the Agriculture, Forestry and Fisheries Ministry said Wednesday.

If approved by the Uruguay Round, NTCS would exclude listed items from market opening. Korea and Japan are demanding that rice be put on the list.

Negotiations could no longer be delayed, Dunkel, who is also chairman of the negotiating group on agriculture, said during a working-level meeting Oct. 1-4. He told the meeting that he would conclude working-level talks when the group met Oct. 16-18 and submit the proposal either late this month or early next month.

He hinted at tariffication without exception, which means NTCS would not be recognized, a ministry official said.

The agriculture negotiating group is expected to make a final decision on Dunkel's proposal by early December and conclude its negotiations by next February, the official said.

Success or failure of the Uruguay Round will depend on the 40-day period between the time Dunkel introduces his proposal and the time the group makes the final decision, he said.

Korea would work closely with other countries, mainly Japan, Canada, Mexico and Israel, who are in same position, to urge the Uruguay Round to recognize NTCS, the official said.

Lobbyists Demand Rise in Rice Purchase Prices

SK1010022491 Seoul THE KOREA HERALD in English 10 Oct 91 p 6

[Text] The National Agriculture Cooperative Federation (NACF) yesterday demanded that the government raise its purchase prices of rice by 10 to 15 percent to boost farmers' incomes from the harvest of the nation's grain staple. It also called for the government purchase of 11 million sok (about 1.58 million tons).

About 1,000 representatives of cooperative units and NACF officials participated in a rally in the yard of the federation building in western Seoul yesterday and adopted a resolution, among others, which called for the recognition of such basic foodstuffs as rice as non-trade concerns and the exclusion of the foods from market liberalization list.

Participants requested that the government increase the purchase prices for traditional and "Tongil" breeds of rice 15 percent and 10 percent, respectively in consideration of a rise in consumers' prices and the widening income difference between urban people and farmers.

They maintained that the quantity of the government purchase rice be set at 11 million sok, saying that a majority of farmers want the government to buy their produce to prop up the prevailing rice prices in rice farming areas.

The government wants to reduce the quantity of rice purchases to 6 million sok from last year's 8 million sok and keep the purchase price increase at around 5 percent, government sources said.

The three-point resolution urged the government to employ all-out diplomatic efforts in a bid to prevent the opening of Korea's rice market and deny the minimum market access to the main grain, which accounts for more than 50 percent of income in the agricultural sector. It reads, "We, 7 million farmers, reaffirm an absolute opposition to the opening of the rice market given such non-trade concerns as food security, environmental preservation and balanced development between rural and urban districts as well as farming incomes."

The ralliers asked the government to expand investment and financial support to overhaul production infrastructure and promote technological innovation in the agricultural industry, which they said falls a prey to the government's unbalanced policies emphasizing industrialization.

They called for providing more support to producers' organizations so that they can undertake projects to promote public interests and strengthen the foundation of their management, saying that the roles of products' bodies are more important to actively cope with an acceleration of liberalizing agricultural products to foreign competitors.

GATT To Arbitrate U.S.-ROK-Japan Dispute

SK0910041091 Seoul THE KOREA TIMES in English 9 Oct 91 p 8

[Text] The General Agreement on Tariffs and Trade (GATT) based in Geneva is likely to form a special panel to mediate an anti- dumping dispute involving Korea, the United States and Japan.

The issue is related to the Korean government's imposition of a 4 percent anti-dumping duty in July this year on imports of polyacetal resin from the United States and Japan.

The dispute dates back to last year when Korea Engineering Plastic (KEP) lodged a petition with the Korean Trade Commission (KTC) against imports of the chemical from Du Pont and Hoechst Celanese of the United States and Asahi Chemicals of Japan.

In the petition, KEP complained that domestic industries had been seriously damaged by increasing imports of polyacetal resin from the three foreign companies, asking KTC to intervene in the case.

KTC affiliated with the Trade-Industry Ministry ruled in April this year that Du Pont, Hoechst and Asahi had damaged local industries through the marketing of their polyacetal resin in Korea based on the results of a series of its investigation.

Yi Sang-yul, a ranking official at KTC, led a five member Korean delegation to a GATT conciliation session, OCT. 4. They returned home Monday.

Prior to the meeting with the GATT anti-dumping committee, the Korean delegation consulted with their U.S. and Japanese counterparts Sept. 30 and Oct. 2, respectively, to verify each other's stance on the issue.

Yi said that 15 countries out of the 26-member anti-dumping committee of the GATT took part in the meeting to conciliate the dispute between the three countries.

The GATT panel will discuss the issue over the next three months.

In case the GATT committee fails to solve the dispute during the period, it will set up a special panel with three to five experts upon the request of any of the three countries, Yi said.

Yi said that the United States is set to call for the establishment of the special panel to settle the issue.

According to him, the United States does not oppose the Korean government's imposition of a 4 percent anti-dumping duty on imports of polyacetal resin.

Established in 1987, KEP is the sole manufacturer of ployacetal resin in Korea.

North Complains of South Copyright Infringement

SK1010032791 Seoul YONHAP in English 0305 GMT 10 Oct 91

[Text] Seoul, Oct. 10 (YONHAP)—North Korea has indirectly lodged a complaint with a South Korean publishing company that reprinted the Yi Dynasty royal chronicles without permission from North Korea's Academy of Sciences, which translated them from Chinese.

The academy, in a letter to Yeokang Publishing Co., said that it was "unforgivable" that the company had secretly reprinted and tried to sell the chronicles without approval, Yeokang officials said Thursday. The letter was delivered to Yeokang via North Korea's publishing agent in Japan.

The academy spent 36 years translating "Yijoshillok," the royal chronicles of the Yi Dynasty (1392-1910), from Chinese into modern Korean. The work is bound in 400-volume set.

South Korea's Nambook Trading Co. signed a contract with the academy in August to buy 30 sets of Yijoshillok. The company had planned to buy only one set and make reprints in South Korea, but North Korea refused to allow reprints.

Yeokang representative Yi Sun-tong said his company got hold of a translation through "various channels" and reprinted it.

None of the bootleg copies had been sold, he said.

The academy said it "can never agree" to Yeokang's plans to copy and sell the chronicles, Yi said.

"If Yeokang goes ahead without the academy's consent, it will be a serious violation of copyright," the letter said.

* Survey on UN Membership, Reunification

912C0303A Seoul HANGUK ILBO in Korean 16 Aug 91 p 3

[Article by reporters Kim Chong-nae and Sin Hyo-sop: "Cautious About Timing of Reunification Due to Concerns About Aftermath"]

[Text] On the occasion of the 46th National Independence Day, HANGUK ILBO and Munhwa Broadcasting Company jointly requested the Media Research Company to conduct a survey on the "People's Opinion on the Issues of Simultaneous UN Memberships for South and North Korea and National Reunification." The results of the survey show the overall trend of people's thoughts on the historical meaning of simultaneous UN memberships of South and North Korea and on reunification.

The results of the survey are significant in the sense that we can read how the people predict the timing, the form, and the method of reunification based on the newly established South-North relationship due to simultaneous UN membership.

The telephone survey was conducted on 244 men and 256 women who are 20 years of age or older and live in the six largest cities in Korea—Seoul, Pusan, Taegu, Inchon, Taejon, and Kwangju. The largest allowed error is 95 percent and the accuracy is plus-minus 4.3 percent.

On the Expectation and Timing of Reunification

First of all, 78.8 percent of the respondents showed a positive reaction to the possibility of reunification.

Among the 78.8 percent who were optimistic about reunification, 48.5 percent predicted that reunification will be possible in 10 years; 15.2 percent predicted it will be possible in 20 years; 11.7 percent predicted it will be possible in five years; 3.6 percent predicted it will be possible in two to three years; and 21.1 percent said it was "hard to predict."

This means that 50.3 percent of all who responded predicted that reunification will be possible within the next 10 years.

Only 14.2 percent of those who responded predicted that reunification will not be possible; and 7 percent responded that "they do not know." Some 84.8 percent of the men and 73 percent of the women responded optimistically toward reunification; and 86 percent of those in their fifties and 86.7 percent in their sixties were optimistic about reunification.

The geographic distribution of those who predicted that reunification will be possible is as follows: 94.6 percent of those surveyed from Taegu; 85.7 percent from Kwangju; 78.7 percent from Seoul; 75.6 percent from Inchon; 72 percent from Pusan; and 68 percent from Taejon.

On the other hand, the distribution of age and geography of those who predicted that reunification is not possible is as follows: 17.5 percent of those in their twentiess responded negatively; 15.5 percent of those in their thirties; 12.8 percent of those in their forties; and 7 percent of those in their fifties. Twenty percent of those surveyed from Inchon responded negatively; 18.3 percent from Pusan; 16 percent from Taejon; and 14.6 percent from Seoul.

The distribution of age and geography of those who predicted that reunification is possible within the next 10 years is as follows: 71.5 percent of those in their fifties; 68 percent of those in their forties; 64.5 percent of those in their thirties; 59.1 percent of those in their twenties; and 57.7 percent of those in their sixties; 83.3 percent of those surveyed from Kwangju; 79.3 percent from Taegu; 70.6 percent from Inchon and Taejon; 58.7 percent from Seoul; and 53.7 percent from Pusan.

On the Expected Contribution of Simultaneous UN Memberships to Reunification

In response to the question on whether or not simultaneous UN memberships for South and North Korea will expedite reunification, 48.4 percent indicated that it will be of help "to a certain extent" and 28.0 percent said "very much." Thus, 76.4 percent of all who responded evaluated the UN membership positively.

The age and geographic distributions of those who responded that the UN membership will make a positive contribution to reunification are as follows: 87.7 percent of those in their fifties responded in this way; 82.4 percent of those in their thirties; 74.5 percent of those in their forties; 73.3 percent of those in their sixties; and 69.5 percent of those in their twenties. Some 80.6 percent of those surveyed from Pusan responded in this way; 80.0 percent of those from Taejon; 78.6 percent of those from Taegu; 75.9 percent of those from Seoul; 75.0 percent of those from Kwangju; and 66.7 percent of those from Inchon.

Among those who responded negatively, 11.5 percent of them are college students or those who have higher degrees; and 7.9 percent have only high school education. By occupation, 20.8 percent of student respondents showed the highest negative response.

On the Effects of Simultaneous UN Memberships

In response to the question on the effects of the simultaneous UN memberships on the exchange and negotiation between South and North Korea, 76.4 percent showed great expectations from the UN membership: 52.6 percent responded that the UN membership will "slightly expedite" the exchange and the negotiation processes; 23.8 percent responded that "it will expedite very much."

The distribution of those who expressed some expectation from the UN membership by age is as follows: 78.8 percent of those who are in their thirties and forties showed some expectation; 78.5 percent of those who are in their twenties; 70 percent of those who are in their sixties; and 63.1 percent of those who are in their fifties.

Geographically, 85.7 percent of those surveyed from Kwangju expressed some expectation; 82.2 percent from Taegu; 79.5 percent from Pusan; 75.9 percent from Seoul; 66.6 percent from Inchon; and 64.0 percent from Taejon. The higher the education level, the more expectations from the UN membership toward reunification.

The distributions according to occupation and sex are as follows: 92.8 percent of those who are professionals or are engaged in the management area expected some positive influence from UN membership on reunification; 53.9 percent of technicians and laborers; 83.6 percent of the men and 69.5 percent of the women expected a positive effect from the simultaneous UN memberships.

On the Position Toward Reunification

In response to the question on the position toward reunification in light of the situation in Germany after its reunification, the majority (59.6 percent) of those who responded showed a cautious attitude by saying, "We should minimize the aftermath of reunification despite a possible delay in reunification," 26.8 percent responded, "We should hurry even if it imposes a burden on us," and 11.8 percent said, "We do not need to promote reunification if we have to suffer from reunification."

A wide spectrum of ages showed a cautious attitude: 66.2 pecent of those in their thirties; 59.3 percent of those in their twenties; 57.9 percent of those in their fifties; 56.4 percent of those in their forties; and 43.3 percent of those in their sixties. An interesting result is that 36.7 percent of those in their sixties showed a positive attitude by saying, "We should hurry even if it imposes a burden on us."

The geographic distribution of those who were concerned about the aftermath of reunification is as follows: 60.9 percent of those surveyed from Seoul showed concern; 53.8 percent of those from Pusan; 66.1 percent of those from Taegu; 57.8 percent of those from Inchon; 64.3 percent of those from Kwangju; and 52 percent of those from Taejon.

On the Desired Form of Reunification

In response to the quesion on the desired form of reunification, only 16.6 percent supported the German-style reunification, whereas the majority of the 78.0 percent hoped for a form of "mutually agreed reunification through negotiation between South and North Korea," and only 1.8 percent said, "reunification by force."

The distribution of age among those who hoped for an agreed reunification is as follows: 84.5 percent of those in their thirties; 79.7 percent of those in their twenties; 74.5 percent of those in their forties; 73.7 percent of those in their fifties; and 56.7 percent of those in their sixties.

The distribution of those who hoped for an agreed reunification according to the level of education is as follows: 87.2 percent of those who have only middle school educaton; 79.3 percent of those who have high school education; 78.0 percent of those who have college degrees and above; and 61.0 percent of those who have only elementary school education.

On the Understanding of Methods of Reunification

In constrast to high expectations for the reunification, the people's understanding of the differences in the methods promoted by South and North Korea turned out to be very poor, which indicates the lack of effective advertisement on the reunification procedure by the government. Only 7.8 percent understand it in detail; 32.8 percent do not understand it well; 5.6 percent do not understand it at all; and 53.8 percent understand it to a certain degree.

Only 12.7 percent of the men and 3.1 percent of the women who responded "understand the differences of the reunification procedure in detail." According to the education level, 15.4 percent of those with college degrees or above understand the procedure, and 4.4 percent of those with high school education understand it.

Among those who responded that they do not understand the differences at all, 26.7 percent of them were in their sixties, 17.8 percent of them were from Inchon, and 31.7 percent of them had only elementary school education.

On the Opening of Broadcasting Between South and North Korea

In response to the question of mutual opening of broadcasting, 51.6 percent said that it is essential to open it simultaneously between South and North Korea, and 44.6 percent said opening by South Korea is necessary independent of the North's decision. Only 3.8 percent showed no opinion.

Among the male respondents, 52.0 percent recommended the opening by South Korea independent of the North, and 45.9 percent recommended simultaneous opening. Among female respondents, 57.0 percent recommended the simultaneous opening and 37.5 percent recommended the opening by South Korea.

The distribution by age group is as follows: the percentage of those who favored a simultaneous opening and those who favored an opening by South only was the same among those in their twenties. The majority of those in their thirties (57 percent), forties (53.2 percent), fifties (52.6 percent), and sixties (43.3 percent) favored the simultaneous opening.

Those who have college degrees or above showed a progressive attitude by favoring the opening by the South independent of the North, with 53.3 percent over 44 percent for simultaneous opening. The majority of those who have high school education or below favored simultaneous opening.

On the Influence of the Four Nations on the Korean Reunification

In response to the question as to which of the four nations—the United States, the Soviet Union, China, and Japan—will have the most influence on the Korean reunification, the people responded as follows: the United States (32.4 percent), the Soviet Union (32 percent), China (15.2 percent) and Japan (13 percent); 7.4 percent responded "do not know."

The order of influence differs somewhat, however, depending on the category of those surveyed. For example, 29 percent of the men said that the Soviet Union has the most influence, followed by the United States (25.8 percent); 9.8 percent of the women said Japan has more influence, followed by China (7.4 percent).

Geographically, 34.8 percent of the respondents from Seoul and 36.6 percent of those from Pusan predicted that the United States has more influence than the Soviet Union, whereas those from Taegu (41.1 percent), Inchon (33.3 percent), and Taejon (56.0 percent) predicted more influence from the Soviet Union than the United States.

The following is a summary of the questions and answers:

1. What are the main causes of simultaneous UN memberships between South and North Korea? 1) easing of tension between the East and the West—27.0 percent; 2) northern policy by the Korean Government—21.6 percent; 3) progress in renification discussion—19.2 percent; 4) internal change in North Korea—27.2 percent; 5) no comment—5.0 percent.

2. What are the expected contributions from the simultaneous UN membership to reunification? 1) very much—28.0 percent; 2) to a certain extent—48.4 percent; 3) so so—14.0 percent; 4) not much—7.8 percent; (5) not at all—0.8 percent; 6) no comment—1.0 percent.

3. What is the effect of simultaneous UN membership on the exchange and negotiation between South and North Korea? 1) will expedite very much—23.8 percent; 2) a little bit—52.6 percent; 3) not much—18.4 percent; 4) not at all—1.8 percent; 5) no opinion—3.4 percent.

4. Do you understand the differences in the reunification procedures promoted by South and North Korea? 1) in detail—7.8 percent; 2) to a certain extent—53.8 percent; 3) not much—32.8 percent; 4) not at all—5.6 percent.

5. What is the desirable form of reunification of Korea? 1) agreed reunification through negotiation—78.0 percent; 2) German-style merging—16.6 percent; 3) by force—1.8 percent; 4) no comment—3.6 percent.

6. What is your position on Korean reunification based on the aftermath of German reunification? 1) have to expedite it despite possible chaos and burden—26.8 percent; 2) minimize the aftermath even if we have to delay it—59.6 percent; 3) not necessary to promote it by bearing chaos and burden on us—11.8 percent; 4) no comment—1.8 percent.

7. Do you anticipate that reunification of Korea will be achieved? 1) will be—78.8 percent; 2) will not be—14.2 percent; 3) no comment—7.0 percent.

8. When do you anticipate that reunification will be achieved? 1) within the next two to three years—3.6 percent; 2) within five years—11.7 percent; 3) within 10 years—48.5 percent; 4) within 20 years—15.2 percent; 5) hard to predict as of now—21.1 percent.

9. Which nation will have the most influence on Korean reunification? 1) United States—32.4 percent; 2) Soviet Union—32.0 percent; 3) China—15.2 percent; 4) Japan—13.0 percent; 5) no comment—7.4 percent.

10. What is your position on opening the broadcasting between South and North Korea? 1) opening by South, independent from North Korea—44.6 percent; 2) must open simultaneously between South and North—51.6 percent; 3) no comment—3.8 percent.

Exports to North To Bear Correct Origin Label

SK0810045391 Seoul THE KOREA ECONOMIC WEEKLY in English 7 Oct 91 p 2

[Text] Samsung Co. will likely export Korean-made color TVs, sugar and condiments to North Korea bearing the correct country of origin.

According to trading sources, Samsung Co. will ship 3,000 19-inch color TVs, sugar and condiments to North Korea in late October in a barter trade agreement for 3,000 tons of steel plates from North Korea.

In addition, other general trading companies (GTCs) such as Luch- Goldstar Int'l, Kolon Int'l Corp. and Ssangyong Corp. reportedly agreed with North Korean counterparts to settle part of their trade with North Korea using the barter trade system.

Prices of imported steel plates will range from $300-$310 per ton while the price for Samsung's color TVs has been set at $200 per unit.

This will be the first time that South Korean products are exported to North Korea bearing the correct country of origin.

The trade route will be between Chongjin port of North Korea and Inchon port of South Korea while cargo transportation will be undertaken by Soviet or Chinese flag vessels.

Samsung Co., which imported 3,000 tons of iron taggers from North Korea in May at $250 per ton, will import 3,000-3,500 tons of iron rods in early October which will be paid for in U.S. dollars.

Lucky-Goldstar, Kolon and Ssangyong plan to import timber and steel products from North Korea which will be settled in either cash or electronics goods produced by their affiliates.

Korean companies typically trade with North Korea through Hong Kong agents or Pro-North Korean corporations in Japan. Korean exports enter North Korea via Soviet or Chinese ports while North Korean products can be shipped directly to South Korea if prior notice is made five days before the arrival.

Three North Korean ports—Chongjin, Lajin and Songlim—and two South Korean ports—Inchon and Pusan—are the most frequently used ports for inter-Korean trade.

Prosecution To Probe Civil Service Corruption

SK1010105491 Seoul YONHAP in English 0620 GMT 10 Oct 91

[Text] Seoul, Oct. 10 (YONHAP)—The prosecution is to switch the focus of its investigative power to corruption among government officials and society's leading lights, Prosecutor-General Chong Ku- yong said Thursday.

Corruption in the civil service continued to flourish and there remained the problem of conspicuous consumption among the upper classes, Chong said during an inspection tour of district prosecutor's offices in Kwangju.

The prosecution would eliminate these two blights on Korean society along with scandalous behaviour by business executives, abuse of power by local councilmen and pseudojournalism, he declared.

Establishing discipline in officialdom and among the leaders of society would create the foundation for democracy, prosperity and reunification, Chong said.

Since the prosecution formed the special investigation headquarters for wrongdoings by public servants and social leaders in April, it has investigated 6,237 people and has arrested 656 of them.

Among those investigated were 528 civil servants, 679 social leaders, 125 businessmen, 111 local councilmen and 4,759 real estate speculators, Chong said.

DLP Convention Balloting To Decide Candidate

SK0710035491 Seoul YONHAP in English 0336 GMT 7 Oct 91

[Text] Seoul, Oct. 7 (YONHAP)—President No Tae-u has decided that his Democratic Liberal Party's [DLP] next presidential candidate should be selected through a free ballotting at the party convention scheduled for May 1992.

The president informed Kim Yong-sam, one of the co-chairmen of the DLP, of his decision, thus reaffirming his plans to hold the party convention after holding the general elections, informed sources said Monday.

Kim Yong-sam and his faction, however, still hope to hold the ruling party convention before the general elections and choose the presidential candidate through prior consultations among the DLP's three factions.

The DLP was formed in Feburary 1990 after No, president of the Democratic Justice Party, Kim Yong-sam, president of the Reunification Democratic Party, and Kim Chong-pil, president of the New Democratic Republican Party, agreed in January to merge their party.

No made it clear to Kim Yong-sam during their recent meeting that he could not change his plans to hold the general elections before the party convention, and that Kim Yong-sam will accept the president's plans "in the end," a DLP source said.

Another party source said "there are no reasons or justification for Kim Yong-sam to oppose a free election of the presidential candidate as he was given enough time to prepare for a free election of the party candidate."

The source pointed out that although Kim Yong-sam is leading a smaller faction within the party, he will be in a positition to nominate candidates for the National Assembly in the general election as one of the party's co-chairmen.

Party officials also said that No will neither name nor support any presidential candidate to help block the possible nomination of Kim Yong-sam. "President No has reaffirmed his pledge to remain neutral in the matter," they said.

Burma

Army Battles Rebels in Bogale's 'White Area'

BK0910141991 Rangoon Burma Television Network in Burmese 1330 GMT 9 Oct 91

[Text] The KNU [Karen National Union] terrorist insurgents have been disrupting regional peace and tranquillity and causing problems for the people at the border and in remote areas. Not content with just doing that, they have hatched an odious scheme to create unrest and a difficult life for the people in the Delta region—a "White Area," which has been peaceful for more than 19 years.

Information was received that the KNU insurgents, with the backing of their hardcore supporters, were planning to operate in Bogale Township, Irrawaddy Division. Acting upon that information and under the arrangements of the Bogale Township Law and Order Restoration Council, a People's Police Force unit conducted a sweeping raid of Teda village of Bogale Township on the night of 2 October. The raid resulted in the capture of five hardcore elements of the KNU insurgents together with eight AK-47 automatic rifles, 2,081 rounds of AK-47 ammunition, and eight magazines.

The police unit was then reinforced and sent in to sweep Kapahni village. However, a combined force of about 40 men made up of KNU insurgents and their hardcore elements attacked the police unit.

Seventeen policemen laid down their lives for the country and 17 assorted weapons were lost.

In order to smash the KNU insurgents, an operation was launched, effective 2 October, by the Defense Services personnel under the command of Major General Myint Aung, commander of the Southwest Military Command, and the people favoring regional peace and tranquillity.

So far, there have been nine engagements with the insurgents. Nine KNU insurgents were found dead while five others were taken prisoner. Eighteen assorted weapons, 9,986 rounds of assorted ammunition, 19 assorted magazines, six grenades, and 32 detonators were also seized.

On our side, 22 men, including members of the police unit, have laid down their lives for the country. Eighteen assorted weapons were also lost.

The joint operation has been stepped up to surround the KNU insurgents, cut off their routes, and smash them and their hardcore elements.

The area that the KNU insurgents have entered is the Htawpaing region, which was once infiltrated in 1972 by the exile insurgent group headed by Nyo Hmaing. Since that insurgent group was crushed in 1972, the region had remained peaceful and tranquil until the latest infiltration.

Fighting Marks Tactics 'Change'

BK1010074891 Hong Kong AFP in English 0507 GMT 10 Oct 91

[Text] Bangkok, Oct 10 (AFP)—At least five civilians were killed when the Burmese Air Force launched a series of bombing raids against anti-Rangoon guerrillas, dissident sources said here Thursday.

The Democratic Alliance of Burma (DAB), an umbrella organisation of all anti-Rangoon forces, said there had been heavy fighting between Karen guerrillas and government troops earlier this month in the Irrawaddy River Delta region about 50 miles (80 kilometres) southwest of the capital Rangoon.

The official state television also reported the fighting, saying 22 government troops and police and nine guerrillas had been killed.

The DAB said two air strikes against villages in Bogale District were carried out, killing innocent civilians but the television made no mention of the bombing raids.

The television report, monitored here Thursday, said "a joint operation has been stepped up to surround the Karen National Union insurgents, cut off their routes, and smash them and their hardcore elements."

One analyst here said the fighting was significant because it took place so deep inside Burma and it might mark a change in tactics by the guerrillas who in recent years have been concentrating on defending their zones in the east of the country, near the border with Thailand.

Last Sunday DAB commanders ordered all units to go on the offensive.

"We want peace but the government does not want to talk but to annihilate all political opposition, so we must fight," a DAB official said.

The DAB claims a total strength of about 20,000 fighters, including ethnic minority guerrillas and dissident students who fled a bloody crackdown and military takeover following an unsuccessful pro-democracy uprising in 1988.

The military government has an army of more than 200,000 soldiers, well-equipped with weapons bought from China and other countries.

Brunei, Malaysia, & Singapore

Malaysia

Trade Minister Meets U.S. Trade Representative

BK1010094691 Kuala Lumpur BERNAMA in English 0848 GMT 10 Oct 91

[Text] Kuala Lumpur, Oct 10 (OANA-BERNAMA)—Malaysia has asked the United States to consult the government regarding petitions brought against local industries before initiating investigations.

Malaysian International Trade and Industry Minister Rafidah Aziz said this would save a lot of time and money for both parties.

Also, efforts should be taken by the United States Trade Representative [USTR] Office to determine the standing of the complainant so that the company bringing the petition was reflective of the industry, she told reporters after bilateral talks with USTR Carla Hills here Thursday.

She said the matter was raised at both the ASEAN economic ministers' meeting a with the USTR Wednesday and at the bilateral talks with Malaysia Thursday.

Rafidah said if a petition that had been submitted and rejected, the USTR should not entertain any further similar petitions by the same petitioner.

On her part, Hills had shown positive response to the request, Rafidah said, adding that there was a big possibility it might be implemented.

Explains Import Duty Cuts

BK1010093691 Kuala Lumpur BERNAMA in English 0634 GMT 10 Oct 91

[Text] Kuala Lumpur, Oct 10 (OANA-BERNAMA)—Malaysia has offered to cut its import duty to a binded ceiling of 10.3 percent for 1,387 items, Minister of International Trade and Industry Rafidah Aziz said Thursday.

She said the move, which covered a broad range of goods, reflected the country's commitment to free trade as it would allow a greater number of imports to gain access to the local market.

This means that the import duty for products in the list could not be raised to more than the fixed ceiling of 10.3 percent offered but it could be reduced further.

Also, the new duty offered was low compared with those of not only neighbouring countries, but many outside the region, she told a press conference after bilateral talks with U.S. trade representative Carla Hills.

For example, the duty in Thailand was 34 percent, the Philippines 32.9 percent, Indonesia 20.3 percent, Mexico 37.1 percent, Brazil 33.4 percent and Argentina 20.3 percent.

This showed that Malaysia was not merely paying lip service to opening its markets as the items, with an import value of $18.8 billion, comprised nearly 30 percent of Malaysia's total imports in 1989.

"We do not want to be accused of not doing enough to reduce trade tariffs and opening our markets," she said, adding that Malaysia was identifying other products for inclusion in the list.

The offer was contained in the proposals to the General Agreement on Tariffs and Trade, she said.

Since the offer meant greater market access, Rafidah said it showed that the country's private sector could not afford to remain protected.

As such, they need to increase their efficiency to make their products more competitive, she said.

Ministers on Mahathir's Commonwealth, UN Talks

BK1010075991 Kuala Lumpur Voice of Malaysia in English 0600 GMT 10 Oct 91

[Text] Prime Minister Datuk Sri Dr. Mahathir's keynote address at the opening of the Commonwealth finance ministers meeting yesterday has been taken up as a major policy direction by most of the ministers. Finance Minister Datuk Sri Anwar Ibrahim says they have given spontaneous and genuine support to the view that the Commonwealth and other similar forums should be used as an effective mechanism to enable smaller and poorer countries to defend their rights. The ministers, who spoke during the morning and afternoon sessions yesterday, hoped that these countries could utilize this forum to demand for their plight to be heard by the international community.

Meanwhile, Foreign Affairs Minister Datuk Abdullah Ahmad Badawi said Datuk Sri Dr. Mahathir's speech at the recent United Nations General Assembly in New York had also drawn positive response from Third World countries, but mixed reactions from the developed world. However, he said on the whole all leaders respected the conviction shown by the prime minister in his speech. The speech touched on topics which struck a chord among the leaders of many countries, particularly those from developing nations.

Datuk Abdullah was speaking to reporters at the Kuala lumpur International Airport on his return after attending the General Assembly of the world body. He said the mixed reactions from the developed world were probably due to the fact that the thrust of the prime minister's speech was directed at the stand and attitude adopted by developed countries.

Datuk Abdullah added that next week's Commonwealth heads of government meeting in Harare, Zimbabwe was expected to pass a resolution allowing for people-to-people relations with South Africa. The resolution forwarded by the Commonwealth foreign affairs ministers after their recent meeting in New Delhi would be discussed in detail. The move, however, did not mean that trade was allowed with that country.

Government To Repatriate 200 Aceh Refugees

BK1010080791 Hong Kong AFP in English 0741 GMT 10 Oct 91

[Text] Kuala Lumpur, Oct 10 (AFP)—Malaysia Thursday said it would ignore appeals from human rights organisations and send home some 200 Acehnese boat people seeking asylum after fleeing Indonesia's troubled north Sumatran province.

"We will proceed with plans in the interest of bilateral relations," Malaysian Foreign Minister Abdullah Badawi said.

The London-based Amnesty International and the Indonesian Human Rights Campaign, Tapol, have urged Malaysia to call off the repatriation, saying they were concerned for the safety of those sent home.

Tapol said the liberty and lives of those sent back would be "at grave risk," adding that Malaysia stood to be accused of sacrificing humanitarian principles in the interest of preserving ties with Indonesia.

The Sweden-based Aceh/Sumatra National Liberation Front, battling for Aceh's independence, has also appealed to the Malaysian government to halt plans for the repatriation.

In a statement issued Tuesday the Front described the boat people as "freedom fighters" who faced certain persecution if sent home.

But Abdullah said after talks here with Indonesian Foreign Minister Ali Alatas that Malaysia would not heed the views of human rights and non-governmental organisations.

"They always have their views on any issue, he said after convening the first ministerial level meeting of the Malaysia-Indonesia Joint Commission.

Several boat loads of Acehnese have landed in Malaysia since March this year and a few of the mostly village folk have returned home voluntarily.

Acehnese sources here say that most of the boat people have been isolated at local prisons and camps and refused meetings with representatives of the United Nations High Commissioner for Refugees.

The director-general for political affairs of Indonesia's foreign ministry, Sastrohandojo Wirjono, said Indonesia had sent several experts to talk to what he called the "misled Acehnese" to convince them that they would not be persecuted on their return to Aceh.

Cambodia

Hun Sen Arrives in New Delhi 3 Oct for Visit

BK0410141591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 4 Oct 91

[Text] On the morning of 3 October, Comrade Hun Sen, chairman of the Council of Ministers of the State of Cambodia, arrived in New Delhi for a three-day visit to the Republic of India.

The comrade chairman of the Council of Ministers and his delegation were welcomed at the airport by Eduardo Faleiro, Indian minister of state for external affairs; and Malhotra, secretary in the External Affairs Ministry.

Comrade Chairman of the Council of Ministers Hun Sen laid wreath at the (Rajagandhi) Monument in order to pay homage to the soul of Mohatma Gandhi, father of the Indian nation.

At 1100, the comrade chairman of the Council of Ministers held talks with Eduardo Faleiro, minister of state for external affairs. At 1600 on the same day, Comrade Hun Sen held official talks with Indian Prime Minister Narasimha Rao.

Comrade Hun Sen informed the host of the new developments in Cambodia and in the search for a peaceful solution to the Cambodian problem.

Comrade Hun Sen called on the Indian Government to provide emergency relief aid to the nearly 600,000 Cambodian flood victims in Cambodia.

The talks also focused on the cultural and economic ties between Cambodia and India.

At 1730, Comrade Chairman of the Council of Ministers Hun Sen paid a call on Indian Vice President Dr. Shankar Dayal Sharma and conveyed the best regards from Comrade Chairman Heng Samrin and the Cambodian people to him.

Meets Prime Minister

BK0510063791 Phnom Penh SPK in French 0408 GMT 5 Oct 91

[Text] Phnom Penh 5 Oct (SPK)—Hun Sen, chairman of the State of Cambodia's Council of Ministers, met with Narasimha Rao, Indian prime minister, a few hours after his arrival in New Delhi on Thursday for a three-day official visit to India, according to AFP [AGENCE FRANCE-PRESSE].

The two leaders discussed the 12-year old Cambodian conflict and bilateral relations.

Hun Sen is also due to meet President Ramaswamy Venkataraman, Indian ministers, and other officials of India's election commission.

The Cambodian leader met with Mother Teresa, founder of the "Missionary Order of Charity," who was awarded the Nobel Peace Prize; and Sonia Gandhi, widow of former Prime Minister Rajiv Gandhi.

It was Hun Sen's fourth visit to India since 1988.

India recognizes the Phnom Penh Government and has also played an important role in the settlement of the Cambodian conflict.

Hun Sen Meets French Leaders in Paris

BK0510070891 Phnom Penh SPK in French 0404 GMT 5 Oct 91

[Text] Phnom Penh 5 Oct (SPK)—During his stay in Paris after attending the Supreme National Council [SNC] meeting and the UN General Assembly in New York, Hun Sen, chairman of the Council of Ministers, was received by France's Prime Minister Edith Cresson and Foreign Minister Roland Dumas.

The talks betwen the Cambodian and French leaders focused on the situation of the Cambodian peace negotiations and the forthcoming reconvening of the Paris International Conference on Cambodia. The two sides, Cambodian and French, appreciated the favorable development of the peace process and the results achieved by the SNC.

The Cambodian prime minister, Mr Hun Sen, took the opportunity to thank the French Government for its important contribution to the search for peace in Cambodia and its assistance to the Cambodian people. The talks were held in a warm atmosphere.

Foreign Minister Hor Namhong also attended these talks.

Party Extraordinary Congress To Be Held 17 Oct

BK1010045991 Phnom Penh SPK in English 0425 GMT 10 Oct 91

[Text] Phnom Penh SPK October 10—An extraordinary congress of the People's Revolutionary Party of Kampuchea [PRPK] Central Committee will be held here on October 17.

The congress will examine and adopt two important documents: the party's platform and amendments to the party's statute, according to a press communique of the PRPK.

It also welcomes foreign newsmen and observers who want to cover the congress, the communique added.

Hun Sen-Chea Sim Relationship Viewed

BK0910072591 Bangkok THE NATION in English 9 Oct 91 p A10

[Article by Kawi Chongkitthawon: "Hun Sen-Chea Sim Alliance on a Rocky Path?"]

[Text] At the Phatthaya peace talks in June, there was tense correspondence on the outcome of Cambodia's peace talks between the Phnom Penh's chief negotiator, Prime Minister Hun Sen, and Phnom Penh's most influential leader, National Assembly Chairman Chea Sim. The meeting ended with a breakthrough because Hun Sen and the Khmer Rouge leader Khieu Samphan were able to talk business for the first time. Chea Sim asked Hun Sen to explain what was going on. The young prime minister replied the matter was complicated and that he would explain it in detail once he returned home. It was the first time that Chea Sim was left in the dark on what had transpired in the talks on the Cambodian conflict.

A month later, during Hun Sen's first visit to Beijing, Chea Sim unexpectedly announced the appointment of a new Industry Minister Ros Chhun, a person close to him, instead of Men Sam-an, the director general of the state-owned news agency, SPK (Sarpordamean Kampuchea). Before the Beijing trip, Hun Sen and Chea Sim agreed on Sam-an—Hun Sen's preferred choice.

Thus was part of the politics of intrigue between the two most well-known political figures in the war-ravaged country. In the past, rivalry between Hun Sen and Chea Sim was buried behind the common alliance against the Khmer Rouge. As Hun Sen focused on the horror of the genocidal policy of the Khmer Rouge's reign overseas, at the homefront Chea Sim mobilized mass support for the party as the only means to fight the Khmer Rouge's return. However, with a peace agreement on Cambodia, their alliance has been shaken.

In the past several months, Hun Sen and Chea Sim have been trying unsuccessfully to keep their relations on good terms as they tried to firm up their position within the party, preparing themselves for the future. Before Phatthya's successful peace talks, Chea Sim, in all aspects, was considered to be the most powerful person in the party, thus in Cambodia. His hardline position gained support within the party's apparatus when a series of peace talks ended without any progress. Hun Sen was considered by the party top echelon as being "too soft" whenever he led the Phnom Penh team for peace negotiations with the resistance groups. He had to pay a heavy price for his liberal attitude.

The arrest of former minister of transport and communications Ung Phan, Hun Sen's friend, last May was the toll. This move was aimed not so much on his scheme to form a new political party, but rather to undermine Hun Sen's position. (Ung Phan will be released soon without charge.) With his position strengthening, Chea Sim and top party leaders pressured Hun Sen into giving up his post as foreign minister to Hor Namhong. After the first Supreme National Council's (SNC) meeting in Bangkok, three of Phnom Penh's six SNC representatives were replaced by persons close to Chea Sim. His associates also occupied key ministries. The first half of this year saw Hun Sen's leadership being weakened. Several times in this period he was seen beside Chea Sim in publiic gatherings, giving the impression of good rapport between them.

The Phatthaya breakthrough quickly put Hun Sen on the offensive, if not on par with Chea Sim, receiving both praise and support from within and outside the country. Since then Hun Sen has been consolidating his party position, while Chea Sim has been trying to expose himself internationally. He went to France and Japan with a pending visit to Taiwan.

During Hun Sen's visit to New York from Sept 14-Oct 6, Chea Sim has spearheaded many changes within the party's platform, which will liberalize all aspects of Cambodian society under Phnom Penh's control since 1979, in order to prop up the party's sagging popularity. He was credited along with Hun Sen for initiating radical changes in the party.

Diplomats based here believed Chea Sim's willingness to loosen up the party was to bolster his position and to save the People's Revolutionary Party of Kampuchea (PRPK). Events in the Soviet Union have convinced the party leaders they have to move fast or face destruction from within.

The next few days leading to the sixth party congress, slated for Oct 16, and the signing of the peace accord a week later, is a crucial period. The cooperation or competition, if not confrontation, between Hun Sen and Chea Sim will have a far reaching impact on the political landscape of future Cambodia.

Hun Sen's Political Future in Party Examined

BK1010031191 Bangkok THE NATION in English 10 Oct 91 p A10

[Article by Kawi Chongkitthawon entitled: "Uphill Task for Premier Hun Sen"]

[Text] Phnom Penh will have at least 18 months to prepare for United Nations-sponsored elections after a peace accord is signed. Its success at the polls will depend on Prime Minister Hun Sen's political brinkmanship, and his relations with Chairman of the National Assembly Chea Sim.

At present, Hun Sen's place in any future Cambodian government is as sure as the sunrise in the morning. At issue here is the future of the People's Revolutionary Party of Kampuchea (PRPK)—whether it can hold together and form the core of a future government.

Is Hun Sen going to risk his political future to save a sinking party? Close scrutiny of the party's documents and domestic developments since the 13th plenum in August provide some clues to Hun Sen's future decisions.

At the plenum, the debate concentrated on the party's future in peacetime. A wide range of ideas and suggestions were discussed from the dissolution of the PRPK to the formation of five separate parties.

The plenum's report showed no consensus on the party's future even though the apparatchiks agreed on the necessity of organizational changes. However, it was conciliatory enough to comprise both conservative and liberal thinking—reflective of wide-ranging ideas from discussing the dismantling of the PRPK to the formation of affiliated parties.

Supporters of Hun Sen's position called for a new party that has no connection or bears any trace of the PRPK. Others believed killing the party means killing themselves, because they would upset the 30,000 party members. Worse yet, they argued, it would facilitate the Khmer Rouge's return in the polls. One leader suggested a chain of small parties that could link up in the future.

Chea Sim thought the PRPK must remain united in order to garner mass support and own the elections. He advocated gradual changes within the party including a new party name—Pracheachon Party—which was used by political parties in the 1950's.

However, the botched coup in the Soviet Union and subsequent events convinced all the party's elements, particularly Chea Sim, that radical and swift changes are required. By late August, the party moved quickly to introduce new measures aimed at improving its image. Pictures and statues of world's revolutionary leaders such as Karl Marxz, Lenin, Ho Chi Minh and two local heros, Son Ngoc Minh and Tu Samut, were quietly hauled off from government buildings and public places. The words of communism, Marxism-Leninism and socialism are no longer used in party documents. Even the red colour—which depicts communism's achievements—was done away with. Differently-coloured flags are now used for official functions and festivities.

After the peace process made progress and the last obstacle of the electoral system was settled last month, the party's top echelons decided to go all out with political reforms. While Hun Sen was in New York, Chea Sim stole the limelight by putting together a new seven-page political platform, which will literally turn socialist Cambodia to a "liberal and free" nation overnight, at least on paper. The changes include freedom of speech, association, travelling, forming political parties and press freedom.

Finally, another factor closely linked with the current tug-of- war between Hun Sen and Chea Sim is the fate of Ung Phan, former minister of transport and communications, arrested last May. According to a party source, Chea Sim and his associates are trying to convince Ung Phan, Hun Sen's close friend, to rejoin the party—without breaking away to set up his own party.

From the PRPK's viewpoint, to have a key party member speak against the organization would have disastrous effects. The source said given his past, Ung Phan could be talked into leading the Salvation Front to Defend the Fatherland, which is expected to assume a new name very soon. The PRPK leaders are also thinking of incorporating the front to strengthen the party's deeprooted support. The Front is Cambodia's largest mass organization, which anyone above 18 years old must join. It has lost its vigour since its victory over the Khmer Rouge at the end of 1970.

All things and situations considered, Hun Sen has two choices: to say in or quit the party. Each alternative has its own pros and cons. At the last moment, whatever will transpire depends on Hun Sen-Chea Sim relationship.

Hun Sen might walk away from the PRPK, citing health reasons. He can play a "wait and see" game. If the situation permits, later on he could set up his own party. Given his growing popularity, he would win elections under his own banner with support from intellectuals and the young generation. But his own party will not be able to win a majority in the proposed 120-seat National Assembly.

At the same time, without Hun Sen, the PRPK's future is uncertain. Even though within the party, Chea Sim certainly has more clout, Hun Sen has better exposure abroad without which the PRPK would lack international support. Other cadres would quit and vote for others.

Chea Sim's efforts to preserve the party in its new form would be difficult to achieve. With Sihanouk's presence in the capital on Nov 14, Cambodians will more or less identify with him, rather than Chea Sim, as the source of Khmer pride and nationalism.

Ironically, as Hun Sen becomes increasingly indispensable for the party's long-term survival, Chea Sim and other conservatives cannot ignore him.

It is obvious Hun Sen is likely to stay on with the party if he can wield stronger power to influence future directions and key personal changes inside the PRPK—the party which he has called to be completely dismantled.

Hun Sen would want to replace key politburo members and ministerial posts, which are occupied by young cadres who are corrupt and inefficient.

Leading the PRPK would be an uphill task, which could over a period of time damage Hun Sen's credibility. For better or for worse, the young premier still holds the key to the PRPK's future.

Sihanouk Gives Hun Sen Reconstruction Donation

BK0910114691 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 9 Oct 91

[Text] Samdech Norodom Sihanouk, chairman of the Supreme National Council of Cambodia [SNC], on 4 October sent a cable to His Excellency Hun Sen, chairman of the Council of Ministers of the State of Cambodia and member of the SNC of Cambodia. The message reads:

Excellency: Please accept a sum of 2,150 French francs I have received this morning, 4 October 1991, from our compatriots to finance public construction and service for the people undertaken by your party.

Please accept the testimonies of my regard and affection.

[Dated] Paris, 4 October 1991

[Signed] Norodom Sihanouk, chairman of the SNC of Cambodia

Indonesia

Minister Asks U.S. To 'Relax' Textile Quota

BK1010080091 Kuala Lumpur BERNAMA in English 0623 GMT 10 Oct 91

[Text] Kuala Lumpur, Oct 10 (OANA-BERNAMA)—Indonesia requested the United States to immediately relax and eventually abolish its quota on the import of the republic's textile products.

The request was made during an hour-long bilateral meeting between Indonesian Minister of Trade Dr. Arifin Siregar and U.S. Trade Representative (USTR) Carla Hills here, Thursday.

Dr. Arifin told reporters after the meeting that Indonesia had asked the U.S. to abolish in stages the quota on textile import, which was now provided under the multi-fibre agreement (MFA).

He said the abolition would greatly benefit the Indonesian textile industry, which exported about U.S. $3 billion worth of items annually.

The U.S. was the single largest importer of Indonesian textile products, accounting for about 40 percent, he added.

Dr. Arifin said that Indonesia's export of textiles to the U.S. would be "much much more" if the quota was abolished.

He said Hills had assured him that she would consider the request.

At the meeting, Dr. Arifin and Hills also discussed other matters of bilateral interest including the Uruguay Round of trade global talks.

Alatas in Malaysia To Discuss Islands Dispute

BK1010012291 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 10 Oct 91

[Text] Foreign Minister Ali Alatas is now in Kuala Lumpur, Malaysia at the head of an Indonesian delegation to the first meeting of the Indonesia-Malaysia Joint

Commission to discuss the dispute over Sipadan and Ligitan Islands and the handling of illegal Aceh immigrants in Malaysia. Minister Alatas and his Malaysian counterpart Abdullah Badawi arrived at Subang Airport yesterday after attending the UN General Assembly in New York. Ministers Ali Alatas and Badawi told newsmen in Kuala Lumpur that Indonesia and Malaysia wanted to settle the Sipadan and Ligitan issue through amicable consultations.

According to Minister Ali Alatas, the current mutual policies of delaying discussions over the issue due to differences of opinion have in fact showed the close friendship between the two countries. The differences of opinion between Indonesia and Malaysia over the ownership of Sipadan and Ligitan islands, which are situated off East Kalimantan, emerged for the first time in 1969 when the countries were negotiating demarcation of their continental shelf.

Forestry Minister on Results of Trip to Germany

BK1010013491 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 10 Oct 91

[Text] Indonesia and Germany have expressed concern over growing threats to the world's environment. All countries should take common action to overcome the problem. Forestry Minister Hasyrul Harahap was briefing newsmen in Jakarta yesterday on the results of his recent visit to Germany.

He said Indonesia and Germany have agreed to continue their support for the existing international agreements such as the convention on reduction of pollution and the protection of biomass and the convention on (?conservation). According to Minister Hasyrul Harahap, the two countries have also agreed that forestry cooperation between industrialized and developing countries can be presented to the United Nations as an international commitment.

Determination To Repay Foreign Debt Stressed

BK1010061391 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 10 Oct 91

[Station commentary]

[Text] Speaking before House Commission on National Budget, Finance Minister Sumarlin reaffirmed the government's determination to repay Indonesia's foreign debts and to not reschedule repayments. He admitted that the 1990-91 balance of payment deficits had widened. However, a rescheduling of repayment of foreign debt and interest will be harmful because foreign investors will be afraid of investing here, and even domestic investors will take their capital out of the country.

Indonesia's economy had much better growth in 1988 than the 1985-1987 period due to the improved international economy. In that year, our gross domestic product [GDP] grew at the relatively rapid rate of almost five percent, while people's income increased by over five percent. The GDP grew because of the strong growth in non-oil and non-gas exports, particularly in the manufacturing industry, which grew by over 10 percent. Export growth must be maintained at an annual rate of 10 percent during the Fifth 5-Year Development Plan and during the mid-1990's to lessen the burden of foreign debt repayment. The volume of exported goods and revenue from services including tourism must reach between $33 billion and $35 billion in 1995.

Nonethelees, the economic situation has changed considerably, particularly after the end of the East-West cold war. In fact, every country now focusses on how to improve the welfare of its own citizens. Some say that comprehensive activities or globalization are needed following the end of the cold war. However, the globalization process will not be as easy as expected because every country bases its cooperation on national interests and because of the striking differences in science and technology and other factors.

This being the case, the changing international situation is one of the reasons why Indonesia's economy is currently overheating. To cool it down, people should be cautious and serious about development in their respective fields. In addition, we should bear in mind that job opportunities and unemployment remain central problems vis-a-vis sociopolitical stability in our society during the short, medium, and long term. There are mounting pressures to overcome these problems.

Nonetheless, we should also bear in mind that Indonesia has attained an economy that is far more resilient than a number of other developing countries. We must maintain and enhance this resilience in order to ensure growing international confidence, enhance progress, correct irregularities, and improve services, thus creating a normal system acceptable to all people.

Aceh President Appeals for Thai 'Initiative'

BK1010042391 Bangkok THE NATION in English 10 Oct 91 p A10

[Letter from Tengku Hasan M. di Tiro, president of Aceh/Sumatra National Liberation Front and "head of state of Aceh/Sumatra"—from the "Letters" column]

[Text] Further to your article "Fighting terror with terror in Aceh" published on Aug 22, I add that it is about time Thailand as the most powerful state in our region becomes more aware of what is going on in its close neighbouring countries. Aceh/Sumatra is among the closest neighbour of Thailand to the southwest, just as close as Malaysia, for our borders touch each other in the Straits of Malacca and in the Andaman Sea. Javanese-Indonesia has no business to be in Aceh/Sumatra for it is not a littoral state of the Malacca Straits. Java is 1000 kilometres away from the Malacca Straits, beyond the Sunda Straits and the Java Sea. Java has no business to be in Aceh/Sumatra except as a colonial power—substituting the Dutch.

Aceh/Sumatra was an independent state for a thousand years, universally recognized. After colonizing Java for 300 years, the Dutch declared war against Aceh, on March 18, 1873, and invaded the country. The Acehnese defeated Dutch invasions six times, and after 70 years of continuous war, the Dutch gave up, and withdrew from Aceh in March 1942 ousted by the Acehnese before the arrival of the Japanese. In 1945, after World War II, the Dutch upon their return to Java to reclaim their colonial empire—except Aceh—made an agreement with the Javanese "Republic of Indonesia" in which the Dutch fradulently recognized Aceh as "part of Indonesia" —in the same manner as Nazi Germany recognized the Baltic states as part of the USSR. There was no plebiscite or referendum involving the Acehnese.

Now the European countries, started by the closest neighbours of the Baltic states, recognized the independence of the Baltic states again, although the army of the USSR still occupy these states. Thailand as among the closest neighbour of Aceh should perhaps take the initiative to recognize the historic independence of Aceh again today.

The political future of Southeast Asia should be determined by ourselves here in the region without waiting for the initiative of the Europeans or the Americans as in the colonial past. That time has also passed with the passing of Western colonialism from our region, except in the former Dutch colony of Indonesia where no decolonization has taken place. Its the place where the white Dutchmen have been replaced by the brown Javanmen.

But the "territorial integrity" of the Javanese colonial empire of Indonesia can never be maintained except by continuing massive violations of human rights of the indigenous people, as is done in Aceh today by the Javanese colonial military. This will never be permitted to pass in the long run by the international community, but it is the moral duty of the neighbouring states to defy it. The Baltics had the courage to defy the USSR. Will the neighbouring state of Aceh dare to defy the Jakarta imperialists. These are decisive moments in history that we live in. Will Thailand dare to take the first step?

It was Vietnam which had taken the initiative to help the Cambodians to oust Pol Pot, some years ago. Will Thailand now take the initiative to help the Acehnese people overthrow the Javanese Super Pol Pots in Jakarta? What Aceh needs is not so much material or military support, but only the freedom of movements in Thai territory. It is legal.

The promises of future cooperation between Aceh and Thailand are great especially in the economic and commercial spheres. I shall appreciate whatever you can do to make known this point of view to the Thai nation so that an opinion will emerge in support of it. [signed] Tengku Hasan M. di Tiro

President Aceh/Sumatra National Liberation Front, and Head of State of Aceh/Sumatra

Laos

Foreign Minister Addresses UN Meeting 4 Oct

BK0910144191 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Oct 91

[Text] In his speech delivered at the 46th UN General Assembly Session in New York on 4 October, Phoun Sipaseut, deputy prime minister and foreign minister of the Lao People's Democratic Republic [LPDR] reviewed the world situation and the trend toward peace and cooperation amid the gradually diminishing threat of nuclear confrontation. He said: Despite the fact that the general world situation is favorable to international cooperation and detente, a state of uncertainty and confusion prevails. The cold war era is apparently coming to its end; however, the new international political order lacks form and cannot be clearly defined. We have learned from recent lessons that the peace, independence, and national sovereignty of many nations are still threatened. Thus, the situation in many regions is rather confusing; at the same time, new conflicts have arisen in some areas. For this reason, we want a new international political order that can guarantee the rights and interests of all nations as weel as support equitable economic cooperation among countries, including North-South cooperation between devoloped and developing countries.

Deputy Prime Minister Phoun Sipaseut stressed that the endeavors to settle both global and regional conflicts have been successful in many ways that favor international peace, security, relations, and cooperation. Meanwhile, the situation in many regions remains confusing, while dangerous conflicts prevail. In Southeast Asia, the Lao foreign minister noted: Generally speaking, the situation in this region has changed profoundly. The countries in the region have increased contacts and expanded economic, trade, cultural, scientific, and technical relations and cooperation. The era of detente and cooperation has emerged and is being expanded extensively in the interests of the people in this region.

Touching on the Cambodian problem, Phoun Sipaseut, on behalf of the LPDR Government, lauded the agreements reached during the recent meetings of the Cambodian National Supreme Council in Phatthaya City in Thailand, Beijing, Bangkok, and in the United States. He expressed hope that the said agreements will constitute a major source of strength that will assist efforts to bring about reconciliation among the Cambodian people and turn Cambodia into an independent, sovereign, peaceful, neutral, and non-aligned nation with good relations with all countries, particularly its neighboring countries.

Phoun Sipaseut noted the continuation from 1988 onwards of the implementation of the policies of restructuring in the LPDR, broadening cooperation with foreign countries, and improving the efficiency of the [state management] mechanism in conformity with the actual conditions in the country. For instance, the LPDR has promulgated important laws and a new constitution that guarantee the basic rights and freedoms of the Lao people.

Phoun Sipaseut also said that the implementation of the policy of comprehensively restructuring is aimed at gradually extricating the country from the state of underdevelopment. Having this desire as a base, it is the strong aspiration of the Lao people to live and earn their living in peace and to maintain good relations with all countries in the world. The LPDR will continue to consistently implement the foreign policy of peace, independence, friendship, and cooperation with all countries, regardless of differences in political and social systems on the basis of respect for each other's independence and sovereignty, equality, and mutual interest.

Kaysone Phomvihan Receives Mongolian Ambassador

BK0910114491 Vientiane KPL in English 0919 GMT 9 Oct 91

[Text] Vientiane, October 9 (KPL) - President Kaysone Phomvihan of the Laos PDR [People's Democratic Republic], on October 7, received at the Presidential Palace Mr. Toytoguine Tumurkhules who presented his credentials as the new ambassador extraordinary and plenipotentiary of the People's Republic of Mongolia to Laos.

The Lao president congratulated the new Mongolian ambassador and wished him success in contributing to the traditional ties of friendship and cooperation between Laos and Mongolia.

Trade Talks Held With PRC's Yunnan Province

BK1010051691 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Oct 91

[Text] This morning talks were held in Vientiane between Mrs. Khemphet Phonsena, deputy minister of foreign economic relations, and Jin Renqing, vice chairman of the Yunnan provincial administration of the PRC. In the talks the two sides discussed economic, trade, and communications cooperation, and cooperation in other areas of common interest. They particularly discussed business cooperation—for example, investment in building the cement factory in Vangviang, an automobile assembling factory, and other projects.

Attending the meeting on this occasion were representatives of governors of various provinces bordering the PRC, such as Phong Saly, Luang Namtha, Oudomsai, and Bokeo Provinces, along with a number of cadres concerned from both the Lao and Chinese sides.

The delegation from the PRC's Yunnan Province is currently on a visit to Laos. It is scheduled to stay in Laos for 5 days—from 8 to 13 October. The visit is in response to an invitation of the Foreign Economic Relations Ministry.

Seed for Dry Season Farming Bought From SRV

BK1010115291 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Oct 91

[Text] In late September, the agricultural service of Champassak Province signed an agreement to purchase 15 metric tons of rice seed for dry season farming from the SRV's Binh Dinh Province at the cost of U.S. $4,063.

The person in charge of the service said that the province needs an estimated 45 metric tons of rice seed for dry season farming this year. Therefore, some 50 [figure as heard] more metric tons of rice seed will have to be bought from sources within the country to meet the need. The province expects to encourage farmers to grow dry season rice on up to 606 hectares of ricefields in the coming dry season. If the province is able to acquire equipment for repairing damaged irrigation facilities before the dry season arrives, the plantation of the second crop can be made on 1,062 hectares of land.

Economy Minister Urges Businessmen To Pay Taxes

BK1010050691 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Oct 91

[Text] During a recent visit to boost production in Bolikhamsai Province, Khamphoui Keoboualapha, deputy prime minister and minister of economy, planning, and finance, addressed businessmen and traders in the municipal area of the province. He urged the businessmen and traders to conduct business honestly and to attentively volunteer to fulfill obligations towards the state by paying taxes for national development.

In his address on this occasion, Deputy Prime Minister Khamphoui Keoboualapha noted the goods-oriented agricultural production work. He also discussed border trade, saying it must be carried out on the basis of the principles of free and legal trade and that bad practices—such as illicit trade, goods smuggling, etc—must be prevented. In addition, the deputy prime minister called on the businessmen and traders of all sectors to maintain consciousness and take the initiative in practicing honesty to fulfill their taxpaying obligations so the state can accumulate revenues for use in developing and strengthening the country in the next stage.

Philippines

Senator on Maximum 1-Year U.S. Subic Presence

HK1010104591 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 10 Oct 91

[By Anna Soriano]

[Text] Senator Raul Roco, House assistant majority floor leader, said that U.S. military operations at Subic cannot continue in the country for more than one year for that would be a clear violation of the Constitution. At the same time, Roco suggested that the government should expeditiously ratify a new Republic of the Philippines-U.S. Treaty of Friendship, Navigation, and Commerce. This, he said, is in light of the expected withdrawal of the U.S. bases from the country in the near future.

Aquino To Study Salonga's Base Pullout Plan

HK1010091391 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Oct 91

[By Sonny Casulla]

[Text] President Aquino today agreed to study the three-year withdrawal formula proposed by Senate President Jovito Salonga stipulating the removal of all U.S. military components from Subic Naval Base within one year from 17 September. In an interview with reporters at Malacanang after his private meeting with the president, Salonga said an agreement with the president will soon be reached. Salonga's plan, which is supported by other hardliners in the Senate, sets one year for the removal by the United States of all its military components. In the second year the Filipinos would operate the Subic facilities, and, if there is a need to extend the American presence for another year, this can be discussed. Salonga also said that if the president favors the formula, he can obtain more than 16 votes in the Senate. In their one-on-one talks, both promised to be flexible in their position in relation to a decision on the U.S. forces' length of stay in the country. Salonga said he believed their dialogue would bear good results.

Manglapus Refuses To Head Withdrawal Panel

HK1010095491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Oct 91

[Text] Foreign Affairs Secretary Raul Manglapus has refused to head the Philippine negotiating panel on the new executive agreement on the withdrawal of the U.S. base at Subic. Manglapus has instead recommended Executive Secretary Franklin Drilon to be the chairman of the negotiating panel on the U.S. bases.

Manglapus has also suggested Under Secretary of Defense Feliciano Gasis, Assistant Secretary of Justice Teresita de Castro, and Ambassador Raul Rabe to be members of the panel. Manglapus took personally a statement made by Drilon that he lost his authority to make any announcement regarding U.S. bases issues. Manglapus has argued that he has other international commitments which he would not have time for if he were to head the Philippine negotiating panel, but the real truth is that Drilon and Manglapus have developed a professional jealously.

Controversy Over Bataan Nuclear Plant Continues

HK0910111391 Quezon City Radio ng Bayan in Tagalog 1000 GMT 9 Oct 91

[By Tanny Rodriguez]

[Text] In an interview at Malacanang, Senator Rene Saguisag said that he was able to convince President Aquino, along with Finance Secretary Jesus Estanislao, Central Bank Governor Jose Cuisia, and Philippine National Bank Chairman Adolf Ascuna, to postpone the Joint Executive-Legislative Debt Council's decision to include debt payments for the Bataan Nuclear Power Plant in the proposed debt rescheduling package .

Saguisag said that the government must wait until December for any development in the compromise being proposed by Westinghouse's lawyers before it can make a decision. He said that if the compromise offered is acceptable, the government may accept the offer.

Case To Be Discussed Out of Court

HK1010012691 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 9 Oct 91

[Text] Senator Rene Saguisag announced that President Corazon Aquino agreed to discuss out of court the bribery case regarding the anomalous construction of the Bataan Nuclear Power Plant where the country incurred a debt amounting to $2.3 billion. This was revealed by Senator Rene Saguisag after meeting with President Aquino yesterday in Malacanang. Saguisag stressed that there is nothing wrong with the president's decision if this helps the country's interests. Following this the senator asked the government to file a case against Citicorp, an American bank which was involved and in connivance with a crony of former President Marcos in building the nuclear plant. In his letter to Foreign Affairs Secretary Raul Manglapus, Saguisag said that filing criminal charges against Citicorp is a second step taken by the government so that it can suspend the interest payments on the debts incurred from the Bataan Nuclear Power Plant.

ASEAN Said Not Serving Manila's Interests

HK1010054491 Manila THE CHRONICLE in English 10 Oct 91 p 4

[Editorial: "ASEAN Not Serving Philippine Interests"]

[Text] At the meeting of the economic ministers of the Association of Southeast Asian Nations in Kuala Lumpur this week, the Malaysian Prime Minister, Mahathir Mohamad, expressed dismay at the "dismal" record of ASEAN cooperation. Setting the tone of the meeting as host, Mr Mahathir urged his ASEAN allies to push cooperation "forward and fast."

His assessment of ASEAN's development as a regional economic grouping was set in the background that of all the regional blocs in the world ASEAN was at the tail end. The economic ministers were trying to prepare the agenda for ASEAN's summit next year in Singapore, and the meeting ended with ASEAN as ambiguous in its economic approaches as when it started.

They found themselves squabbling over competiting initiatives about making ASEAN an effective economic bloc to meet the challenge of protectionism emerging from other regional groupings, such as the European Community and the North American Free Trade Area, the latter composed of the United States, Mexico and Canada.

The Kuala Lumpur meeting failed to endorse a common ASEAN initiative after it had foundered on the competing schemes like Thailand's proposal for the creation of an ASEAN Free Trade Zone within 10 years, Malaysia's controversial plan for an East Asia Economic Group, the Philippines' proposal for an ASEAN Treaty on Economic Cooperation and Singapore's strong pitch to develop the subregional enclaves known as "growth triangles." These are all centrifugal tendencies spinning the head of ASEAN.

Mr Mahathir's dismal assessment emphasized what all ASEAN members and academics specializing on ASEAN affairs have known for a long time. The situation is that, since its founding 24 years ago, ASEAN has been long on political rhetoric and short on economic cooperation. The Kuala Lumpur meeting underlines the fact that ASEAN members appear to be working at cross-purposes in economic cooperation, which, ironically, is the main purpose of its creation.

Academics have pointed out several trends in ASEAN. The first is that ASEAN is at a crossroads; if it does not get its act together with bold initiatives soon, it will become irrelevant and will deteriorate into a mere debating club of bureaucrats and officials. Second, ASEAN has been driven mainly by governments and state-sponsored projects although all the economics of the six ASEAN allies are functioning in a market economic system; the private sector has little participation in making decisions to raise the level of economic cooperation in an international environment in which market forces are providing the locomotive of economic growth. Third, ASEAN has been diverted from its original economic purpose and reason for existence into the political exercise of acting as a peace broker and as a conflict-solving mechanism for stubborn wars in the region, the most important being the Cambodian conflict.

The Indochina wars have ended and the Cambodian conflict is mercifully on the way to diplomatic solution. The Cambodian conflict has given ASEAN a focus for political solidarity. Moreover, it has played into the hands of Indonesia, which has a fondness for playing a regional big power role, allowed to strut on the regional stage as a mediator of balance of power in the region.

Now that the Cambodian settlement is within reach, ASEAN has been forced to seek a new rationale for its existence, and there is consensus that this has to be found in enhancing economic cooperation. ASEAN is at last realizing that it has to retrace its steps back to its economic function.

To illustrate how far it has achieved economic cooperation, intra-ASEAN trade accounts for a mere 10% of its total trade with the rest of the world, compared with more than 50% of the trade among the 12 members of the European community. With this pitifully low level of intraregional trade, it is not surprising that its clout as a regional trading bloc is as hollow as the rhetoric of its ministerial meetings and summits.

Part of the reason why ASEAN is being left behind as a regional economic bloc relative to other trading blocs is the disparties in the level of economic development of its members. There is very little communality of economic arrangements and little basis for cooperation among them. This has led to mutually competing schemes on economic cooperation approaches.

Given this conflicting economic interest within ASEAN, the Philippines should seriously consider seeking options outside ASEAN that would promote the diversification of its economic relationships and broaden their basis. ASEAN is not the best arrangement in which to promote these objectives, now that the Philippines is trying to put behind it the crippling bilateral basis of its dependency relationship with the U.S. Philippine economic interests are not being served by ASEAN. Therefore, it has to seek out multilateral and bilateral relationships—in addition to ASEAN. It cannot wait for the day that ASEAN can discover some coherence in its economic cooperation directions.

Cutbacks Possible on Foreign-Assisted Projects

HK0810053891 Manila BUSINESS WORLD in English 8 Oct 91 p 1

[By Gertrudes M. Chavez]

[Text] Government may have to cut back on expenditures for foreign-assisted projects (FAPs) next year because it may not be able to raise P [Philippine pesos] 39 billion in required revenues for the period, Central Bank [CB] Governor Jose L. Cuisia, Jr. yesterday said.

This year, monetary authorities had to similarly defer several FAPs due to lack of peso counterpart funds. This was mainly due to the delay in congressional approval of the 1991 budget.

Finance officials earlier gave assurance the 1991 cutback would be temporary. For 1992, they said there would be a programmed shift in the pace of spending from "slowdown to catch-up."

Mr. Cuisia indicated that the Investment Coordinating Committee (ICC), an interagency Cabinet-level group, is currently reviewing expenditure priorities because of the dearth in revenues. A Finance department official disclosed that a total of P7 billion has been allocated for FAP spending in 1992. However, this is premised on a full revenue program for the period.

For instance, the CB chief cited the environment and natural resources sectoral loan, whose use is being reevaluated by Government. He added: "We will have to see if this loan is still a priority. I mean, the approval said it is within the budget of DENR (Department of Environment and Natural Resources). Will DENR be able to provide for this loan if there are cuts in its budget?"

Department of Finance officials earlier pointed out that some $900 million in foreign loan inflows for infrastructure projects are anticipated next year, for which Government has yet to obtain the peso counterpart funds.

Expected revenues may not be sufficient to match infrastructure spending, Mr. Cuisia said. Government revenues in 1992 are now down to P245.9 billion from the original P252.5 billion. The projected drop is traced to the reduction of the import levy to 5% from 9% translating into forgone income of P400 million and the P0.55 oil price rollback, a potential loss of P6.6 billion.

On the other hand, projected expenditures next year have been raised. The original target of P280.2 billion has risen to P285.7 billion due to Mt. Pinatubo-related spending which add up to P2.5 billion for 1992. This represents only half of the P5 billion appropriation for the purpose.

To keep within the economic program approved by the International Monetary Fund (IMF), Finance Secretary Jesus P. Estanislao said Government needs between P36-P39 billion in revenues. He pointed to a three-pronged strategy for revenue generation which mainly consists of the enactment of tax enhancement measures and savings from debt reduction.

Mr. Cuisia raised concern over Government's ability to raise the required revenues. "...It is evident we will not be able to raise the P39-billion shortfall next year," he said, but did not state his reasons.

But CB sources believe that one source of pressure is the debt reduction program which Mr. Estanislao hopes will net Government P13 billion in savings. Informed sources have noted that the $2.3 billion financing package being worked out with credit banks may not actually result in maximum savings for the Philippines, or perhaps lower than what the monetary officials anticipate.

They explained that the debt program is largely dependent on the collateral required for Philippine bonds to be issued in exchange of existing restructured debt.

If Government fails to accumulate sufficient resources for collaterlas, then cash relief and savings to be realized from the package would also be minimal. So far, Mr. Cuisia has identified $110 million in collaterals, which is not even half of the required $258-$834 million enhancements.

On the matter of reducing the domestic debt, the sources stressed that as long as Government continues to expand its local borrowings, domestic debt service will also grow. What further adds to the burden is the expected uptrend in interest rates as a consequence of a tight monetary policy being induced by the CB.

With September inflation at its highest since July 1985, monetary authorities have no choice but to shrink inflationary cash in the system even at the risk of high interest rates.

Aquino Signs Local Government Code Into Law

HK1010055591 Quezon City Radyo ng Bayan in Tagalog 0335 GMT 10 Oct 91

[Speech by President Corazon Aquino during signing into law of Local Government Code at the Heroes Hall in Malacanang Palace—live, in English]

[Text] Senate President Jovito Salonga, Speaker Ramon Mitra, Senator Aquilino Pimentel, Speaker Protempore Antonio Cuenco, your excellencies of the diplomatic corps, the honorable members of the Senate and the House of Representatives, the local government officials of the Republic of the Philippines, my fellow workers in government, my beloved countrymen.

This is a historic day for our 73 cities, 534 municipalities, and 41,000 barangays spread over 73 provinces of the country. Today, we return to our local government executives the powers that have been long due them as leaders of their respective communities.

Today, we free our local government executives from a paralysis of power caused by an old code that shackled their authority and their communities right to grow. Republic Act 7160 which I have just signed into law creates a new local government code that endows our local communities with the instrumentalities of wise governances as it provides them with logistics to match their concern and their strength to enforce local laws.

When I assumed the presidency, I was appalled at how little was left for our mayors and barangay captains to decide on, even on matters that pertain to them. In my first meeting with our elected municipal mayors in 1988, I challenged them all to do their share to reduce insurgency and promote countryside growth. They similarly voiced out their sentiments over their inability to act due to the limits set upon them by the old local government code embodied in Batas Pambansa [Republic Act] 337. The old code delegated functions of the central government to regional and field offices of national agencies rather than to LGUs [local government units]. Batas Pambansa 337 vested greater powers and authority upon national functionaries rather than on the elective local officials who were directly accountable to the people.

The past policies and programs on decentralization were thus geared toward deconcentration rather than devolution. Thereupon, I firmed up my resolve to restore to our local government units the authority and powers attendant to the exercise of thier duties as frontliners of government.

We could not possibly govern 7,100 islands by remote control originating from a single authority based in

Manila. We needed to devolve power. Our local government executives needed to practise their abilities to decide for their communities. For to aim for national growth, we must start by developing our 42,607 local communities and to aim for self reliance. We must provide our local leaders the wherewithal to decide for themselves how to help us achieve national goals.

Congress too was of a similar bent. In 1987, the new Local Government Code was first introduced as Senate Bill 155 and House Bill 31046. To hasten its passage, I certified it as an administration bill in August 1989. And then again as a priority bill for immediate enactment in December of last year.

This new Local Government Code details five ways to improve the delivery of basic services in our local community. One, it establishes the vision of a Filipino nation of a self reliant community. Two, it devolves to the local government units the responsibity of providing key governmental services to their respective community. Three, it transfers fiscal autonomy over taxes and borrowing, increasing the share of LGUs from 11 percent to 40 percent in accordance with the set schedule. May I make a special note that the barangay which used to be the most neglected political unit is now entitled to 20 peercent of the tax share of the local government unit. Four, it imposes the mandate that these powers be used systematically to plan the development of the communities into a self-reliant, socio-economic system. And five, it legally empowers the local citizenry to participate in the planning, processing, and day-to-day operations of their respective local government units, reserving likewise the powers to sanction their elected officials, veto legislation if need be, and generally oversee the day to day performance of their political leaders and the local bureaucracy.

This new Local Government Code follows the Constitution's vision to transform the LGU executive from a mere local administrator of the national government to a manager of his own community. With this code, we expect every local community to be primarily responsible for planning and attaining its full development as a self-reliant community. Every local government unit must look primarily to its own resources, to its own local working economy, to support its plans and programs.

Though it has taken all of four years to pass the code, we are assured that the length of time was spent not to withold from local executives their rightful powers but to fine tune the code, so that it will be more responsive to the realities of our local units.

I know that the debate preceding the passage of this code has been long and impassioned. Understandably so, for both executive and legislative branches eager to grant our local executives their rightful authority needed to agree on the acceptable division of powers.

The national agencies which have initially opposed the passage of this code did so, not because they relished wielding broad powers, but because of their apprehension that their own efficiency as national agencies might be curtailed. All these have been settled now. You our local executives have asked for the powers to decide for yourselves the direction of your respective communities. You now get what you desired. This code is now a law. But as your powers have been increased, so have the expectations of our people. For this code was not enacted to perpetuate your powers but to make you more effective servants of your constituents.

May I repeat what I have asked you to do at last year's municipal mayors league conference. I would like you to be in control to minimize crime, to control drug traffic, to maintain your roads, to curb illegal fishing and dynamite, to clean and beautify your localities, to protect your environment, to effectively deliver health and dental services, to deliver quality education, and to provide the government infrastructure with an efficient and honest bureaucracy to develop rural industries.

You have your marching orders all spelled out for you. You now have the corresponding powers to do them. Go now and individually and collectively propel your communities toward growth and prosperity.

May I congratulate the principal authors of the code, Senator Pimentel [applause], and Congressmen Alfelor de Pedro and Martinez [applause] for this piece of legislation that fullfills the mandate that national development takes place in local communities and for keeping faith with our people who clamored for this autonomy all these years. To all our local government executives, I wish you successs as you assume more powers and exercise the corresponding responsibilities under this Local Government Code. Thank you and good morning.

Aquino Refuses Marcos Burial at Heroes Cemetery

HK1010092291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Oct 91

[By Sonny Casulla of DZRH Unit No. 9]

[Text] Malacanang has categorically refused former First Lady Imelda Romualdez Marcos' request to have the remains of her husband, former President Ferdinand Marcos, buried at the Heroes' Cemetery at Fort Bonifacio. This was announced by Executive Secretary Franklin Drilon after Mrs. Marcos turned down conditions set by President Aquino to have the former president's remains buried at Laoag, Ilocos Norte.

Prior to this, the president approved a suggestion by legislators and local officials of the Northern Alliance to allow the return of Marcos' remains as long as they are flown directly from Honolulu to Ilocos Norte. Drilon also added that it is sad that Mrs. Marcos turned down the government's offer when the president only wanted to end the Marcoses' problems.

Drilon guaranteed that the former president will be given proper honors as a former president of the country during his burial. However, he stressed that the remains must be buried in Ilocos Norte.

Another condition set by the Northern Alliance was that the former president's wake should only last for nine days, followed by a speedy burial.

The former first lady said that she could not accept the conditions that were offered, as her husband's last wish was for his remains to be buried at the Heroes' Cemetery.

Navy To Purchase Exocet Missiles From France

HK1010083191 Hong Kong AFP in English 0759 GMT 10 Oct 91

[Text] Manila, Oct 10 (AFP)—The Philippine Navy (PN) is purchasing Exocet missiles from France for use in Spanish-made attack boats to be deployed in its territorial waters from late 1993, officials said Thursday.

The surface-to-surface missiles, which gained a reputation for deadly accuracy since Argentina used them against Britain during the Falklands war, will be fitted on three boats under a 100 million- dollar contract with Spanish shipbuilder Bazan.

The boats will be the first missile-equipped vessels of the PN, which mostly has World War II-vintage ships handed down from the United States.

Manila, which has Southeast Asia's most primitive navy and air force, has been unable to protect its vast territorial waters from poachers and other intruders. It is slowly modernizing its fleet and aircraft ahead of the phaseout of U.S. bases which have provided external defense for the country.

Under the shipbuilding contract signed last month, Bazan will deliver the first of the 383-ton "fast patrol craft" by late 1993, with the two others to be manufactured in the Philippines under a technology-transfer deal.

The contract is to be financed with a 12-year soft loan from the Spanish Government and a countertrade arrangement using Philippine export products. Navy spokesmen said the countertrade aspect had not been finalized.

The Philippine Air Force partly paid for Agusta S-211 trainer fighters from Italy with garments and prawns.

High-Ranking Rebel Military Officers Surrender

HK1010101091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Oct 91

[By Fernan Imberga, Sonny Casulla]

[Text] Three high-ranking leaders of the Reform the Armed Forces Movement [RAM] and Young Officers Union [YOU] have surrendered and returned to the control of the Philippine National Police [PNP]. Major Rodolfo Tor and Captains Washington Javier and Rafael Cardino, all soldiers of the defunct Philippine Constabulary, voluntarily returned to their superior officers who are now with the PNP, after over a year of hiding since the December 1989 coup attempt led by soldiers of the RAM-Soldiers of the Filipino People [SFP]-YOU. The three rebel officers took their oath of allegiance before PNP Director General Cesar Nazareno; and PNP Senior Superintendent Fortunato de Gracia Jr., the legal advocate service director. Major Tor stated they decided to return to the government because they allegedly believe that the PNP will treat them with dignity and fairness. The rebels are also hopeful that other rebel soldiers wishing to surrender would be given the same treatment.

Meanwhile, PNP spokesman Senior Superintendent Reynaldo Wycoco said that the three surrenderees are now in the custody of a senior PNP official. Wycoco added that although the three rebel officers voluntarily surrendered, they would still face charges.

In related news, Speaker Ramon Mitra Jr. said military rebels may be given amnesty, including former Army Colonel Gregorio Gringo Honasan. According to Mitra, he believes the rightist rebels will accept the conditions laid down by the government in exchange for amnesty. Mitra was interviewed in Malacanang Palace after attending the signing into law of the local government code headed by President Corazon Aquino. Mitra said that among the government's conditions are that the rebels should pledge allegiance again to the Constitution and promise not to participate in attempts to overthrow or grab power. It should be recalled that Mitra has carried out an initiative to talk with the rebels to reform the military. Mitra thinks the rebels are ready to accept the conditions. Earlier, the president ordered the Armed Forces Chief of Staff General Lisandro Abadia, to continue the dialogue with the rebel soldiers. According to Mitra, he believes he and Abadia could form an agreement between the government and the rebel soldiers which, according to him, is not necessarily in writing. He added that there are some issues that need to be resolved now and he is almost certain they will come to an agreement with the rebels.

In another development, RAM officer, Brigadier General Jose Maria Zumel, a strong Marcos loyalist, is expected to appear anytime this month to return to the government. This was asserted by Armed Forces chief General Lisandro Abadia in relation to his talks with the RAM-SFP-YOU leaders in an effort to resolve the problem on the rightist rebels. In this connection, Abadia hinted that renegade Colonel Gringo Honasan and Commodore Domingo Calajate would soon surrender. Abadia reported that the rightist group leaders have conditions for their surrender, which includes security. The chief of staff also said that the military rebels and the communist rebels should not be compared. He said the rightist rebels believe in our Constitution while the leftist rebels do not. Abadia's efforts to get the rebel soldiers back under government control is also part of his wish to unite the military.

Communist Insurgents Urge Peace: Clashes Recur

HK0910030091 Hong Kong AFP in English 0151 GMT 9 Oct 91

[Text] Manila, Oct 9 (AFP)—Philippine communist insurgents Wednesday renewed a call for peace negotiations with President Corazon Aquino's government after clashes between the Army and guerrillas flared up anew in the countryside.

Denouncing Manila's offer of localized negotiations with units of the banned Communist Party of the Philippines (CPP) and its New People's Army (NPA), the rebels said only national-level talks could end the 22-year-old conflict.

The statement from the National Democratic Front (NDF), the political arm of the CPP-NPA, said Aquino was showing "brazen duplicity" and following a "divide and rule policy" with her plan to hold local peace talks.

The NDF denied that it had lost its central structure with the arrest of top leaders, including NPA chief Romulo Kintanar, in recent months, and said its local organs would not negotiate directly with the government.

"The NDF declares itself ready to go into serious peace negotiations with the Philippine Government," it said.

The NDF said a group of government, military and police officials that held exploratory talks with representatives of the Netherlands- based NDF in Hong Kong last month had not had any authorization from Aquino.

Anyone who meets with the NDF henceforth should carry a written authorization from the government "at the highest level," it added.

The NDF statement was sent to news agencies here one day after the Philippine Army claimed to have killed 10 NPA guerrillas in the Marag Valley north of here Sunday in a counter-attack after 15 soldiers were killed in an ambush in late September.

There was no immediate government reaction to the new peace offer.

Aquino held peace talks with the NDF after being installed in power by a popular revolt in 1986, but the talks collapsed in early 1987.

The NDF declared a cease-fire after the Philippine Senate voted down a new 10-year military base treaty with Washington last September 16, but resumed fighting after it became clear that U.S. troops would not leave in the near future.

Thailand

Prime Minister Anan Notes Impact of AFTA

BK1010041791 Bangkok BANGKOK POST in English 10 Oct 91 p 17

[Text] Thailand would suffer the most among ASEAN countries in terms of revenue loss if the ASEAN Free Trade Area (AFTA) proposed by Prime Minister Anan Panyarachun was established.

The conceptual framework for an AFTA recently was endorsed by the ASEAN Economic Ministers' (AEM) meeting in Kuala Lumpur.

Finance Minister Suthi Singsane told BUSINESS POST yesterday that Thailand would have to reduce import taxes on about 2,000 products.

He said Singapore and Brunei's customers tariff systems would be less affected.

Currently, Singapore imposed import tax on only four products—automobiles, cigarettes, liquor and oil products. Brunei did not impose import tax on any product.

Dr Suthi, an architect of the AFTA framework, led Thai delegates comprising the four permanent secretaries of industry, finance, foreign affairs and commerce ministries, to explore the AFTA concept with senior government officials of the five other ASEAN countries—Singapore, Brunei, the Philippines, Indonesia and Malaysia—before the AEM meeting.

The aim of an AFTA was to allow completely free trade in the region, with no tariff or non-tariff barriers, within a 15-year timeframe.

According to the proposal, all six ASEAN countries would have to reduce import tax on sectors covering almost all industrial and manufactured goods produced in the region.

The only two categories which at this stage were exempt from such a preferential trade arrangment were raw agricultural products and capital goods such as machinery.

The AFTA proposal would have to be discussed during the next ASEAN Summit in Singapore next January.

Dr Suthi said he had spoken frankly with all senior ASEAN officials, saying the AFTA proposal would benefit the region. But he said some countries would lose import tax revenue, in particular Thailand, which would have to reduce import taxes on about 2,000 items.

"The other five ASEAN countries understand that Thailand's initiative will benefit ASEAN overall," he said.

"The Thai import tax rate is currently the highest in ASEAN so Thailand will be affected more than the other five countries in terms of import tax revenue losses."

The expected losses showed Thailand did not want to take advantage of the other ASEAN countries, Dr Suthi said.

He said Thailand was not the only ASEAN country seeking more cooperation in this region on trade and investment. Other ASEAN countries also had initiatives, including Southest Asia Treaty of the Philippines, the Common Effective Preferential Tariffs of Indonesia and Malaysia's proposed East Asia Economic Group.

All proposals stressed trade and investment cooperation in this region.

Dr Suthi said he believed Premier Anan would stress the AFTA idea in his speech during the WB/IMF meeting.

Minister Confident GSP Privileges Will Remain

BK1010034791 Bangkok BANGKOK POST in English 10 Oct 91 p 19

[Text] Commerce Deputy Minister M.R. Pridiyathon Thewakun said yesterday that he was confident the United States would not withdraw its Generalised System of Preferences (GSP) from Thailand.

M.R. Pridiyathon said the US should consider a numher of factors before withdrawing GSP from Thailand.

"Thailand has recently taken a number of positive moves to help protect the rights of US products," he said.

"We have seized a lot of pirated tapes, we have proposed the Trade Mark Act to the National Legislative Assembly, to name but a few."

The American Federation Labour Congress International Organisation had sent a petition to US Trade Representative Carla Hills accusing Thailand of depriving Thai workers of basic rights.

World Bank Defers Decision on Loan for Dam

BK1010020591 Bangkok BANGKOK POST in English 10 Oct 91 p 1

[Text] The World Bank has indefinitely postponed its decision to fund the controversial Pak Mun Dam project for fear of political repercussions from environmental groups in donor countries.

The indefinite postponement following criticism and protests from Thai and foreign environmental groups is seen as a de facto shelving of any bank funding for the scheme, at least for the time being.

Environmental groups have pointed to the project's possible negative impact on the environment.

The World Bank position was conveyed to the Government recently and revealed by Finance Minister Suthi Singsane in an interview with the BANGKOK POST yesterday.

Large donor countries such as the United States, Germany and Japan normally hold sway over policy decisions by the bank.

Mr Suthi said the bank position on Pak Mun was prompted by concern among donor countries that their domestic environmental groups might oppose the bank funding for the project.

Thai student and environmental activists last month staged a two-day hunger strike in front of the bank's local office as the bank's executive directors met in Washington to decide on the financing.

The decision was deferred however, reportedly so the executive directors could examine material to gain a more informed idea of the project as well as consult their respective governments.

The Government requested a US$54 million loan package from the bank for power projects, a large portion of which was to go towards partial financing of the 136-megawatt Pak Mun Dam to be built at an estimated cost of 3,175 million baht.

Mr Suthi told the POST the bank had also asked the Government to withdraw its loan application, but the Government had refused.

"We cannot withdraw the loan application as a matter of principle because it would imply the project is no good," said Mr Suthi.

The minister said the Government would turn to other sources if World Bank financing for the project was not forthcoming. However, he was not aware whether officials had started negotiating with other funding sources yet.

Government officials earlier stated the project would go ahead even without World Bank financing. In the meantime, the Electricity Generating Authority of Thailand (EGAT), the undertaker of the project has started ground preparation work at the project site.

The fact the Government has not withdrawn the loan application theoretically means the bank can pick up the issue for future review. But the chances of this appear slim in light of growing environmental movements in the bank's donor countries.

Government and EGAT officials have been locked in sharp disagreement with environmental groups over the exact extent of the environmental impact the project will have and the number of villagers which will have to be evicted to make way for the hydro-electric dam.

The main thrust of the environmentalists' campaign has focused on the lack of comprehensive studies on the project's full environmental impact. They have been campaigning on the platform that a final decision on whether to go ahead was only possible after a full assessment of the impact.

The bank position on Pak Mun shows its sensitivity to public sentiment. The sensitivity is further sharpened by the fact that, alongside the International Monetary Fund, it is holding is annual meeting here next week.

Mr Suthi said another illustration of its sensitivity was its letter to the Government at the height of local protests over the eviction of slums nearby the Queen Sirikit National Convention Centre saying the annual World Bank/IMF meeting could still proceed even if the slum dwellers were not evicted.

Officials on Arrest in Saudi Envoy's Murder

BK1010021791 Bangkok THE NATION in English 10 Oct 91 p 1

[Text] A Pakistani prime suspect in the controversial and politically sensitive murders last year of three Saudi diplomats in Bangkok has been arrested in his country, senior Thai officials said yesterday.

But the officials said it remained unclear why the man was arrested, adding that it was premature to talk about possible extradition. Thailand and Pakistan do not have an extradition treaty.

The officials said Pakistani authorities had informed Thailand about the arrest and linked the suspect to last year's murders. But the Thai officials stopped short of saying whether the suspect was arrested in connection with the Bangkok cases.

The suspect, arrested after sneaking out of Thailand, was understood to be Bunai Mohammad, a leader of a Pakistani gang that preyed on Arab tourists visiting Thailand, the Thai official said.

According to Deputy Foreign Minister Wichian Watanakun, the suspect was arrested by Interpol officials for unidentified offences.

"The man was arrested after he had fled Thailand," Wichian told reporters. "He is the same man wanted by Thai police in connection with the (murder) case."

Thai police have said they were looking for a Pakistani man named Bunia Mohammad. He and two Pakistani accomplices had been preying on Arab tourists in Phatthaya, especially those from Saudi Arabia, according to police sources. Victims were allegedly cheated, extorted and some murdered.

The three Saudi diplomats were murdered in two separate attacks in Bangkok on Feb 1 last year. They were second secretary at the consular section Abdullah Al-Besri, 32, Fahd Al-Bahli, 35, an official at the consular section, and office clerk Ahmed Al-Saif, 26. The killing soured Thai-Saudi relations.

The same Pakistani gang is also believed to be responsible for the killing in 1989 of the Saudi Embassy's third secretary, Saleh Abdullah Al-maliki, who handled visas for Saudi Arabia-bound Thai workers, according to Thai police. One suspect was previously arrested, but the case was not solved.

Deputy Prime Minister Pow Sarasin said the Thai government did not know what the Pakistani authorities would do next.

"There is nothing we could do if they refused to send the man to us," Pow said. "And I think they won't do that (extradite the suspect)."

Prime Minister Anan Panyarachun said the matter of how to handle the suspect was a technical problem to be considered by Interpol and authorities of Thailand and Pakistan.

Saudi Charge d'Affaires Muhammad Sa'id al-Hodja, meanwhile, told THE NATION he believed the murder case would soon be settled.

Thai sources said Saudi authorities appeared to be more receptive to the report than they did to previous ones. "It seems the Saudis have more confidence in the present government," said one of the sources.

Pol Lt Gen [Police Lieutenant General] Thanun Homhuan, who is leading the investigation into last year's murders, said Thai police had not yet issued any arrest warrant in connection with the case.

Thanu met Pow yesterday to discuss the news from Pakistan.

Thai police faced major embarrassment recently after the court acquitted a suspect they arrested last year for allegedly killing the Saudi diplomats.

Suchinda on Military Budget Allocation Requests

BK0910121591 London BBC World Service in Thai 1615 GMT 18 Sep 91

[Interview with Army Commander General Suchinda Khraprayun by BBC Thai correspondent Atthaphon Wanurak in London on 18 September]

[Text] General Suchinda Khraprayun boarded an airplane this morning for his return trip to Thailand after a few days visit to England. Atthaphon Wanurak of the BBC Thai-language service asked him whether it was not now counter to the global trend—since the cold war was over and communism had almost totally collapsed—that the Thai armed forces were still seeking further budget allocations to buy weapons. The following is the army commander's reply:

[Begin recording] [Suchinda] I think there must be some kind of a misunderstanding on this matter. As a matter of fact, the armed forces has received only about 20 to 30 percent of the budget annually requested from the government. In this connection, the armed forces have been unable to fulfill all their projects. For instance, our infantry division has only 30 percent of the weapons it should have. The general public in Thailand has not understood this fact. Well, we realize that there is a budget constraint problem in our country. Yet, the military has not overexaggerated in its requests. We are now performing our duties according to the capability available to us. Let me give you an example: We need ammunition for training our soldiers to improve their combat capability. We need 1,000 rounds of ammunition for each individual for example, but as a matter of fact we only have less than 100 rounds for them. That means we are far below the standard. Also, there are certain kinds of weapons that we should have in reserve for combat readiness in case of war as there are many items we cannot manufacture but have to buy from other countries. Concerning weapons procurement, there is a regulation that there must be weapons in reserve for a certain number of days for logistic supplies. For example, we have weapons to use for about 20 to 30 days without depending on logistic supplies, but after that, we have to depend on supplies. You will not believe what I am going to tell you. You might be shocked to hear that we only have weapons enough for three days. They would be used up in three days. If they were all used up, and if we needed more weapons, we would have to wait for three to four months in order to replace our stock with a new order.

What the military has requested from the government are mainly budgets for old projects left from the previous government. Most of the projects requested by the army were approved by the government of Prime Minister Chatchai. The army had a plan to buy tanks from the United States since the price offered at that time was very low, and we thought that those M-60 tanks had to be useful, each tank costing around 8 million. We sought a special budget allocation from Prime Minister Chatchai and we got it. We already have the approval, but we have not yet received the money. Therefore, what we are asking for now is only for those old projects which were already approved. These are not new proposals, so this is nothing that runs counter to any world trend.

[Atthaphon] Vietnam used to be considered our number-one enemy in the past. Now that international politics have changed, which country is therefore considered a major threat to Thailand?

[Suchinda] With regard to threats, Vietnam remains a threat to us because, of all our close neighbors, Vietnam is the only country that is more powerful than us in terms of military strength. Other neighboring countries are weaker than us in terms of military power. Vietnam has thousands of tanks and millions of troops—and the numbers have not been reduced. Even though there has been no observable threat, it is still the duty of the military to be prepared and ready for national defense. It is written in the constitution that the army has the responsibility of preparing for national defense. And as a second duty, the army must also contribute to the work of national development. How can you know in advance what will happen? If we are not prepared in the event of a war, what shall we do? Suppose what happened in Iraq under Saddam Husayn happened to us. Well, it was very sudden, and it was caused by a certain individual's madness. If such a thing happened to us and if the army was not well prepared, who would be held responsible? Therefore, we will have to constantly keep ourselves in readiness. In our army, we have never had modern weapons. The tanks we have are those from the period after World War II; that means they are about 30 or 40 years old. Those are the weapons we have. [end recording]

Party Leader on Arms Purchase Irregularities

BK1010014591 Bangkok BANGKOK POST in English 10 Oct 91 p 6

[Text] Commission payments on weapons purchases do exist but depend on the individual officer, not the military institution as a whole, said Democrat Party leader Chuan Likpai yesterday.

Army Chief Gen [General] Suchinda Khraprayun and other senior officers have recently denied there is any corruption or commissions paid to officers during transactions when the Armed Forces buys its weapons.

Mr Chuan, a former deputy prime minister, said commission payments did not exist technically as regulations barred any ministry official from accepting payment. But, he said, those in a position to approve official purchases receive under the table payments in the form of brokerage fees or commission.

"I don't think buying weapons is different from buying other things. It's just the budget is very high and those with the power to give approval could seek vested interests if they wanted to," said Mr Chuan.

He said the Armed Forces, like anywhere else, was filled with both good and bad people. Commissions and kickbacks thus involve people and not institutions.

Vested interests in Armed Forces weapons purchases and military leaders receiving kickbacks have been discussed by successive parliaments, but no "receipts" have ever been found to support the charges.

"I am sure there are honest and dishonest people in the military just like in other ministries or with politicians, but this has nothing to do with the institution," he said.

"There are a lot of good soldiers, not just corrupt ones. Likewise politicians, who the soldiers charge are all corrupt. In reality there are some, but it isn't everyone."

Weapons Slated for Burmese Minority Group Seized

BK1010075691 Bangkok BAN MUANG in Thai 10 Oct 91 pp 1, 20

[Text] At a news conference at the Crime Suppression Division on 9 October, Police Major General Rangsit Yanothai reported the arrest earlier on the same day of a gun running gang in Village group 8, Tha Kham Subdistrict, Aranyaprathet District, Prachin Buri Province.

The gang, consisting of four members, was arrested while loading weapons from a hiding place in a wooded area onto a white pick-up truck that carried no license plate. Three members of the gang were arrested, while another member was able to escape. The confiscated weapons consisted of 24 AK assalt rifles, 11 M-16's, four boxes of AK assalt ammunition, and 27 AK assalt and M-16 ammunition magazines.

Interrogation of the arrested gang members revealed that they were paid 10,000 baht each to deliver the weapons to a minority group at the Burmese border in Tak Province.

Tobacco Firm Seeks Probe on Cigarette Dumping

BK1010024391 Bangkok BANGKOK POST in English 10 Oct 91 p A17

[Text] In an attempt to fight the dumping of foreign cigarettes in Thailand, the Thailand Tobacco Monopoly (TTM) will lodge a petition with the Commerce Ministry calling for an investigation into the issue.

The investigation would be the first of its kind since anti-dumping and countervailing duty regulations were introduced by the Commerce Ministry under section five of the Imports and Exports Act late last month.

A highly-placed source in the TTM told BUSINESS POST yesterday a TTM executive board meeting last month agreed to submit a petition to the Finance Ministry urging the relevant government departments to find out why some brands of foreign cigarettes could be sold in Thailand at an apparent loss price of 28 baht a packet.

The source said facts uncovered by the investigation could be used in a TTM petition urging the Government to impose a surcharge on top of normal tariffs on the cigarettes.

Foreign cigarettes sold by five distributors had flooded the Thai market, he said. The distributors had licences to market more than 16 popular brands, and it was likely they were using low prices to capture a big market as quickly as possible.

The marketing strategy could damage the market for local cigarettes in the long run, he said.

T.I. Trading Co was distributing Winston, Salem, More, Camel and Yves St Laurent cigarettes, while Sale Express was marketing Marlboro, 55, Lucky Strike, Kent and John Player Special. ALD Sales was selling Dunhill, Rothmans, Cartier and St Mauritz and Thai International Products was distributing Mild Seven.

The source said the TTM was surprised Lucky Strike and 555 cigarettes were selling for 26-28 baht a packet despite the 55 percent tax imposed on sales by the Finance Ministry.

During negotiations on the cigarette dispute between Thailand and the United States last year, American producers said the cost of their products was about 11 baht per packet, so they tried to force the Government to lower the high tax.

But some American tobacco producers were currently quoting their CIF [Cost, Insurance, Freight] prices at only 8.52 baht per packet, he said.

"It is wondered why ... they can sell their products at the same price as duty-free cigarettes, although they collect 30 percent import duties and 55 percent excise tax on their retail prices," he said.

The source said although the marketing strategy may only be in place for a short time, it could affect local cigarettes in the long run.

"TTM revenue last month was still about 10 million baht, the same as before foreign cigarettes flooded into the Thai market, but the strategy may be used by other foreign cigarette firms and create a price war, which would adversely affect the TTM," he said.

A source in the Commerce Ministry said the committee on anti-dumping and countervailing duty law would consider whether to accept the petition within 20 days of receiving it from the TTM.

But he said the TTM wold have to prove the dumped cigarettes were adversely affecting local production, because the matter was so far unclear. The campaign could be used by the TTM to promote its own products.

Several factors would need to be considered before the petition would be accepted, he said.

In a related development, the TTM said it would organise a special annual meeting of its 280 agents on October 24 to launch a promotion campaign to comete with foreign cigarettes.

Agents' margins would be increased from 6 percent to 7-8 percent for the campaign.

Vietnam

Nguyen Manh Cam Interviewed on Arms Reduction

BK0910155691 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 9 Oct 91

[Text] On 8 October, during a cordial meeting with Hanoi-based foreign newsmen, answering a TASS correspondent's question about Vietnam's assessment of the Soviet initiative to reduce nuclear arms, Foreign Minister Nguyen Manh Cam said: Vietnam always struggles for a peaceful world free of nuclear arms. On this basis, we welcome all initiatives to reduce nuclear arms in the world. We welcome President Gorbachev's recent initiative as well as the U.S. President's statement on the continued reduction of nuclear arms.

We think that the reduction of nuclear arsenals in the world and the reduction of the arms race respond to the aspirations of the world's population. Particularly, we welcome President Gorbachev's proposal for suspending the test of these weapons for a period of time. If similar steps are taken, we will advance a step further to a nuclear-free world which is what all nations desire.

Australian Government To Resume Direct Aid

BK1010144991 Hanoi VNA in English 1357 GMT 10 Oct 91

[Text] Hanoi VNA Oct. 10—Minister of Foreign Affairs Gareth Evans and Minister of Trade Negotiation Neal Blewett of Australia on Wednesday declared that the Australian Government had decided to resume its direct aid to Vietnam.

The first aid package will begin in June next year focussing in infrastructure construction, personnel training and finance.

In November this year, a delegation of the Australian Government led by Minister Neal Blewett is to visit Vietnam to determine Vietnam's need in aid and development.

In this connection, Vietnamese Foreign Minister Nguyen Manh Cam has sent a cable to Minister G. Evans and Minister N. Blewett to welcome this well-meaning gesture of the Australian Government.

Chief Delegate Speaks at United Nations 1 Oct

BK0910093591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Oct 91

[Report on 1 October speech by Tran Quang Co, SRV deputy foreign minister, at the 46th UN General Assembly session—read by announcer]

[Text] Mr. Tran Quang Co, Vietnamese deputy foreign minister and head of the SRV delegation to the on-going 46th UN General Assembly session held at the United Nations's New York Headquarter, spoke in a general debate on the afternoon of 1 October 1991.

After extending his greetings to the chairman of the General Assembly, expressing Vietnam's high appreciation for the great efforts made by UN Secretary General Javiez Perez De Cuella to the cause of peace and cooperation between nations, and congratulating various newly-admitted UN member countries, Deputy Foreign Minister Tran Quang Co said:

We are now in the early years of the last decade of the 20th century, which has witnessed the most drastic and far-reaching changes since the Second World War. The panoramic view of today's world is full of contradictions. On the one hand, mankind is enjoying the wonderful achievements of the modern scientific- technological revolution. On the other, hundreds of millions of people in many developing countries are facing hunger, poverty, and destitution. After its seven to eight years of recovery, the world economy is now faced with the prospect of a new recession. International economic relations have experienced endless confusion. On the one hand, regional conflicts have been settled one after another through peaceful negotiations; the trend of international cooperation in peaceful coexistence for the sake of development has been growing; and the process of nuclear arms reduction has continued to make new progress. On the other hand, the nightmare of a war has not yet ceased to haunt mankind; the recently-concluded Gulf war has left countless consequences to be solved in the Middle East; and many causes for conflicts have continued to exist, or have just emerged, in this or that part of the world.

In a world full of unrest, as it is today, with fundamental factors that served as premises for world order over the past 45 years undergoing drastic change, the shaping of a new world order is inevitabe. This is something in which all member countries in the world community, especially developing countries, have been very interested, for it will have a strong impact on the vital interests of all nations and peoples on this planet, as well as on the future growth of all of mankind.

Some people have discussed the possibility of a monolithic world while others have spoken about the prospect of a multi-polar world. However, it can be asserted that the foremost demand of the nations is to maintain peace and national independence, and to achieve cooperation for development.

The common desire of the people of the world for peace, cooperation, and development is very strong. We think that to shape a new world order, one cannot belittle this legitimate desire. It is mandatory to take into account the strong desire of all nations, big or small, and their determination to preserve the right to master the destiny of their own nation and the right to equally participate in common international activities and in other major issues in their respective regions. The world needs a new, better, and more wholesome world order. All forms of military, political, or economic interference or pressure by a big country against a small one, or by a minority against a majority, must be put to an end for ever.

All nations must achieve equitable, voluntary, and mutually-beneficial cooperation for the sake of the common cause of peace and development.

One of the foremost concerns of the world community is the need for economic development. The intensive economic, scientific, and technological race in the world is increasingly widening the gap in economic development between developed industrialized countries and developing countries. Developing countries continue to be burdended by many unfavorable factors. The source of capital from developed industrialized countries has dwindled while foreign debts have become ever heavier. The trade protectionist barriers of a number of industrialized countries have become tougher. The price of semi-processed products has dropped. There has existed a discouraging attitude toward the developing countries' efforts to push for south-south or regional cooperation. This situation has caused the economies of developing countries to increasingly decline and has had a very negative impact on the world economy and on international economic relations.

Deputy Foreign Minister Tran Quang Co emphatically said:

Together with other developing countries, we call on developed industrialized countries to promptly end their policies of economic embargo and economic pressure, to renounce their inequitable economic relations, and to create a world economic environment favorable to the growth of developing countries.

The United Nations should adopt more positive and effective measures to help developing countries solve their economic difficulties if we are to successfully carry out the United Nations' fourth 10-year (1991-2000) strategy for economic development.

Touching on Vietnam's foreign and domestic policies, Deputy Foreign Minister Tran Quang Co said:

In the struggle for peace, development, democracy, and social progress in Vietnam, 1991 is a very important year. By reviewing those positive initial results gained over the past few years in various vital areas, Vietnam has asserted the inevitability and irreversibility of its comprehensive renovation policy that has been extant since 1986. The latter concentrates on a solution to urgent socioeconomic problems and a firm maintenance of political stability while renovating various aspects of the social life to suit Vietnam's specific situations. Amid a new contemporary situation in the world, this has very practical implications and has become a real and pressing issue of vital significance to our nation.

Once a bipolar world no longer exists, an inevitable consequence is that all nations should diversify their political and economic relations if they are to make full use of all opportunies and existing capabilities to serve their national causes and if every country is to build for itself a new, equal basis. The basis must be flexible and durable, always capable of readjusting itself according to all the changes within the total whole.

If diversification in a balanced world is a general objective trend in the new situation, then to Vietnam—a developing country, still having to cope with untold difficulties—this is a top priority in its existing foreign policy, which is aimed at creating conditions for tiding the country over the present crisis so it can steadily achieve development.

The goal of Vietnam's foreign policy is to achieve equitable and mutually-beneficial cooperation with all nations, irrespective of differing political and social systems, on the basis of the principles of peaceful coexistence.

At this important forum, Vietnam wishes to respectively reiterate its statement that it wants to befriend all nations in the world community in the struggle for peace, independence, and development.

Regarding the Cambodian issue, Deputy Foreign Minister Tran Quang Co said:

Against the background of an impending solution to the Cambodian problem, of the notable improvement in relations between Vietnam and ASEAN countries, and of the evolution of the normalization process between Vietnam and China in a direction favorable to regional peace and stability, we hold the view that countries of Southeast Asia now have a better opportunity than ever to build together a region of peace, stability, cooperation, and development after several decades of conflict and confrontation. The favorable trend toward a unified world market, the speed and strength of the scientific-technological revolution, the trend toward monolithicism in many regions, and the prospects of changes in military presence and involvements by superpowers in this region require us to focus on the Southeast Asian region in accordance with a new look, from a new position, and with new approaches. This requires Southeast Asian countries not only to assist one another in achieving mutual socioeconomic growth but also to discuss and find out appropriate methods aimed at building a new regional security—a comprehensive security with economic development being a most important factor.

Deputy Foreign Minister Tran Quang Co emphatically said:

Guided by our line of renewal in foreign policy, we are constantly aware of the need to promote increased regional cooperation as an indispensable premise to the implementation of our ideas for expanding international relations, consolidating relations with former friendly countries and with nonaligned nations, while widening the cooperation on an equal footing and on the basis of mutual benefit with other countries in the Asia-Pacific region, in West Europe, and in the Scandinavian region, and spurring the process of the normalization of relations with the United States.

Deputy Foreign Minister Tran Quang Co concluded his speech by saying that:

Proceeding from an evaluation of the initial achievements of the renovation undertaking and of our country's abundant potential in national resources and manpower, and with due regard to the epochal trend of development and our people's aspirations, we have set a general goal for Vietnam's socioeconomic development strategy until the year 2000. This is in order to tide the country over its present crisis, to stabilize its socioeconomic situation, to strive to overcome the state of a poverty-stricken and less-developing nation, to improve the people's lives, to consolidate national defense and security, and to create conditions for faster national development at the beginning of the 21st century.

We are convinced that with our energy and determination and with the cooperation given by the international community, we will be able to attain this objective. And in our capacity as an active member of the United Nations, we hope to make ever-greater contributions to the common cause of peace and development.

Capital Military Region Holds Party Congress

BK1010154291 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 6 Oct 91

[Report by Dao Loc Binh on the 25-28 September second-round party organzation congress of the Hanoi Capital Military Region; date not given—portions recorded]

[Summary] A second-round party organization congress was held by the Fourth Executive Committee of the Hanoi Capital Military Region Party Organization from 25-28 September with the participation of 150 delegates representing nearly 2,000 party members throughout the military region.

"The congress was attended by Pham The Duyet, member of the party Central Committee Political Bureau and secretary of the Hanoi Municipal Party Committee; and Senior Lieutenant General Nguyen Nam Khanh, member of the party Central Committee and deputy head of the Political General Department."

Just like other party organizations in the armed forces, the second-round party organization congress of the capital military region was held with the motto: Wisdom, renovation, democracy, discipline, and unity. The purposes of the congress were to "keep delegates fully informed of the fundamental concepts raised in the resolution of the Seventh Party Congress and in the resolutions of the Political Bureau and the party Central Committee Military Commission in connection with the five-year (1991-95) national defense task; to discuss, review, and evaluate the situation regarding guidance for the implementation of the political task and other activities of the party organization executive committee during its recent term of office; to set forth the orientations and tasks of the party organization for the next five years; and to elect a new party organization executive committee for the coming term of office."

Major General Chu Duy Kinh, secretary of the capital military region party committee, gave a concluding speech in which he said:

[Begin Chu Duy Kinh recording] Generally speaking, while discussing the resolution of the Seventh Party Congress and the resolutions of the Political Bureau and the party Central Committee Military Commission, many comrades displayed a high identity of views with those ideas raised in the resolution of the Seventh Party Congress. Almost all of the delegates expressed their determination to persist in the socialist path in defiance of imperialist efforts to get rid of the remaining socialist countries. They stressed that political stability and the survival of socialism should be regarded as the most vital issues. They also pointed to the danger of remaining aloof and undecided for the time being. [end recording]

While covering the capital military region party organization congress, we, indeed, felt completely at ease and confident amid the high determination of those attending the congress, the majority of whom were reportedly born and grew up during the August Revolution.

"It is imperative for Vietnamese communists, including those who are members of the capital military region party organization, to assert their determination to pursue loyally and persistently the socialist path chosen and developed by the party and President Ho Chi Minh 60 years ago."

From the experience they learned during the heroic struggle for national liberation and taking into account recent developments at home and abroad, those attending the congress could clearly tell right from wrong. "They were clearly aware of the reactionary character of the enemy and their dangerous schemes against the fatherland in general and the capital city in particular. They also realized that it is difficult for the enemy to manipulate Vietnam from the inside because Vietnam is regarded as a symbol of patriotism, independence, and revolution. That is why the enemy is attempting to combine the so-called peaceful evolution strategy with the use of force against Vietnam in order to avenge their setbacks."

While feeling proud of those initial achievements scored over the past five years, members of the capital military region party organization pledged not to rest on their past laurels and lose their vigilance. According to its five-year (1991-95) plan, the capital military region party organization is to resolutely address its shortcomings and deficiences and build itself into a truly clean and steadfast party organization in order to help firmly maintain political stability and public order and safety, defend the socialist regime, and safeguard the party and the beloved capital of Hanoi.

"Staff agencies and units at all levels, from the military region headquarters down, should profoundly understand the party's political stance over various issues, trying to bring the resolution of the Seventh Party Congress into reality. In particular, the party organization should strive to firmly grasp the concepts about independence, sovereignty, self-help, self- sufficiency, and self-respect by basing themselves on Marxism-Leninism and Ho Chi Minh's thoughts. Wherever they are stationed, staff agencies and units should keep themselves steadfast politically. Party members and party chapters should develop their vanguard revolutionary class character, their revolutionary militant willpower, their leadership skills, and their abilities to motivate the masses. They should be well-trained politically so they can deserve being both leaders and servants of the people as well as soldiers of the heroic Vietnamese People's Army."

Pham The Duyet Attends Hoai Duc Congress

BK0910103691 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 5 Oct 91

[From the press review]

[Text] Today's HANOI MOI reports that the 15th second-round party congress of Hoai Duc district was held on 26-27 September. Comrade Pham The Duyet, political bureau member and secretary of Hanoi city party committee, attended the congress.

A report of the district party organization's executive committee said that the district's total grain production volume of 1989-90 increased by 2,400 tonnes or 4.6 percent over that of 1987-88. However, this was only 92 percent of the norm set by the 14th party congress.

Every year, the district invests more than 1 billion dong in building irrigation projects and supporting agricultural production. All its 27 villages now have electricity for production and life. All cultural, social, security, and national defense tasks have progressed well but much more effort must be made to meet the requirements.

The congress set four main objectives to develop production and care for the people's life: Develop culture and social welfare, maintain security, intensify the national defense task, and emphatically improve several aspects of the party development task.

Party Monthly Views World Situation

BK0710114791 Hanoi TAP CHI CONG SAN in Vietnamese Sep 91 pp 55-59

[Article by Phan Doan Nam: "How To Perceive Features of the Current World Situation"]

[Text] What are the features of today's world? How can they be perceived correctly? This is one the most important requirements of the political and ideological tasks according to the Seventh Party Congress resolution.

The most prominent feature of the current situation is that a new world order is shaping up with new, multifarious and complex contents and factors.

Following the Gulf war, conservative forces in the United States want to reestablish a new world order that, if not like the Pax Americana, must be like the "Roll Back" system, which means that the United States will occupy the hegemonic position like it did in the wake of World War II, or "more modestly" it will occupy the first position among those equivalent countries.

A second view holds that a new world order has used the three developed capitalist centers (the United States, West Europe, and Japan) as a mainstay. These three centers will control the entire political, economic, and technological systems.

A third view contends that a new world order will be controlled by five centers. They are currently the five countries that possess the most powerful economic, political, and military forces. They are the permanent members of the UN Security Council. In fact, this is still the Soviet-U.S. order mainly in regard to other permanent members of the council which play the role of supporting each single specific case.

Finally, all nations want a new world order in which all sovereign countries are equal and no one can interfere in the internal affairs of other countries. It can be said that this is an order to struggle together and to cooperate with one another in peaceful coexistence.

It is normal that a new world order emerges to replace an old one. Such a change is determined by the balance of forces. The question is that the change this time did not result from war. Nor was it caused mainly by a change in the balance of military forces (since the United States and the Soviet Union still remain the two strongest military powers), but it resulted from a change in the balance of general forces in which the military still plays a very important role. Yet, the economy, science and technology have assumed an ever more controlling role in international relations.

As a result, if we want to judge the development trends of the international situation and the form of a new world order, we should study the current main contradictions, the general trends that are controlling the world as well as how the policies of these forces interact.

First of all, they are the fundamental contradictions of the era.

Although the East-West cold war is nearing an end, the contradiction between socialism and capitalism remains the fundamental one of the era. This contradiction is exerting a decisive impact on the developmental trends of our era. There is no need for much demonstration to clearly see how delighted were the imperialist forces at witnessing the collapse of socialism in East Europe, the crises in the Soviet Union and some other socialist countries and progressive nationalistic countries, and the decline of the international communist and worker movement. Notorious anticommunists did not accidentally predict that capitalism would triumph without a battle by the year 2,000 (!). And that by 2017, they would be able to sing victory on the occasion of the 100th anniversary of the Russian October Revolution which would be also the last day of socialism (!). Even if these predictions came true, the new world order would not be the capitalist order in the style prior to the October Revolution. The struggle between antagonistic aspects of the fundamental contradiction is manifested not mainly in the military but the ideological field and in the economic, scientific, technological domains and so forth. It has taken place fiercely not only between socialist and capitalist countries, but also inside the very socialist, capitalist, and nationalistic countries. What would be the form and scope of the new world order? It clearly depends on the results of settling this contradiction.

Internal contradictions constitute a decisive factor of development. However, one cannot use this as a pretext for denying or belittling the influence of external factors. As far as the crisis now facing socialism is concerned, one should not deny or belittle the adverse impact of imperialism. This is even more correct in view of the current information explosion. The developments of the Western European capitalist economies have affected the socialist countries in Eastern Europe with each passing day, especially now that the situation there has become less tense and economic and scientific-technological issues have become more dominant. This is not to mention the fact that the imperialist forces have used money to support the opposition factions inside. It was not direct intervention but the information and psychological warfare as well as the "peaceful evolution" strategy of the imperialist countries that have played no minor role in bringing about the crisis in Eastern Europe and the collapse of the socialist countries there. It is certain that if there had been no instigation by reactionary forces outside, anti-socialist forces could have not emerged in the Soviet Union!

Therefore, if one rejects the fundamental contradictions of the times, one could easily buy the centric theory of bourgeois scholars and henceforth become disillusioned when it comes to understanding the world situation.

The second group of contradictions rests with the contradictions between a small group of the most developed capitalist countries and the majority of developing and underdeveloped countries. These contradictions have a profound impact on the development of international relations in general, especially on the establishment of a new world order. In modern world politics, people term these as "North-South contradictions." In the interest of fairness, it must be said that some northern countries do show real concern for the developments of Asian, African, and Latin American countries. The contradictions between those countries and the afore-mentioned developing countries are not fundamental. The fundamental ones exist between the seven most developed industrialized countries and the economically underdeveloped countries. These contradictions are manifested first of all in the fact that the current economic world order is imposed by the most developed capitalist countries. The developing countries have waged a struggle for several decades now to set up a more equitable and more rational economic world order. However, so far, the prospect remains very dim.

The operations of transnational corporations in the developing countries have further aggravated the aforementioned contradictions with every passing day. They have turned the developing countries into the venues for the developed countries to relocate their pollution-causing industries and outdated technologies as well as to exploit very cheap labor and materials. The annual profits made by those corporations far exceed the foreign currency that most of the developing countries can earn through their export operations. The North-South gap is becoming a major world problem. The population of the southern states stands at 3.5 billion, accounting for three-fifths of the world population. There are more than 400 million people in southern Sahara but the gross incomes generated by that population are equal only to that of Belgium, which has a population of 10 million. The poverty of the southern states, especially Africa, is in sharp contrast with the wealth of many northern states and serves as a factor of global instability.

Along with controlling the economic growth of the developing countries to perpetuate the latter's dependence, the imperialist forces have also intervened in the political life of the developing countries and have lent a helping hand to the opposition factions in order to lead those countries into the orbit of the West.

The third group of contradictions comes from the contradictions among the major economic and financial centers of the capitalist world, first of all among North America, Western Europe, and Japan. Some people maintain that the conflict of interests among these three centers is decisive for international relations. These represent the three largest economic, scientific, and technological centers in the world and their most dominant contradiction is of a political nature. This contradiction involves the struggle of the United States to maintain its dominant role in the capitalist world. As for Western Europe and Japan, this involves the struggle to remain independent from the United States and to ascertain their politicomilitary roles in the world. Even though these contradictions are very acute on the economic, commercial, scientific, and technological fronts, they all center around the aforementioned dominant contradiction. However, these contradictions will not lead to war or to a collapse of the Western alliance. The reason is because the internationalization of the capitalist production structures and the international labor distribution have reached such a high level of development which binds these centers together and makes them mutually supportive to such an extent that any breakdown of a single component may have an adverse impact on the overall mechanism and structure of the world capitalist system.

The fourth group of contradictions rests with the contradictions among the various centers of combined power worldwi[illegible]. Those contradictions affect the daily activities of the world and may be regarded as the ones having a direct impact on the establishment of a new world order. These contradictions stem from the conflict of security interests of major countries, including the latter's roles in handling world affairs or other areas of activities traditionally thought to be taken care of by them or believed to be related to the security of those countries and their allies. Though a two-component world is being replaced by a multi-component world, the role of Soviet-U.S. relations remains very important, especially when it comes to disarmament and the search for peaceful solutions to most of the regional conflicts.

The above are the fundamental contradictions which affect the developments of the world situation and international relations during the nineties and subsequent decades. These are not the only contradictions and developments capable of affecting our world. Our planet is also affected by the major trends of a new era called the postindustrial era or the era of civilization and wisdom. These trends are the result of the development of the world economy under the influence of the scientific and technological revolutions. Though these trends cannot change the fundamental contradictions of the times, they do have a profound influence on the ways to settle those contradictions.

At present, the biggest trend is the economic and technological race in countries. It has become the target of the security, technical and social strategy, and the starting point of the foreign and domestic policies, at least of major countries in the world. All countries have concentrated on developing their integrated strength, emphasizing education and training of geniuses.

Second is the trend to peacefully settle all conflicts through negotiation. This trend is the product of the above trend. There must be peace to develop it. Facts over the past 40 years have indicated that whichever country has been able to make the most use of peaceful circumstances, has prospered well. On the contrary, even if it was as powerful and prosperous as the United States, it could be degraded to a second-rank power if it continued the policy of war and arms race. However, some powers in the world still cling to the political policy of brute force and hegemony. As a result, although the danger of a world war and a nuclear war has decreased, the world has never been in peace and flareups and partial disturbances might still burst out easily. The Gulf war has corroborated this point. This war has enabled countries to realize more clearly than ever before that the path of war cannot solve anything other than fanning the ambitions of warlike forces.

The third trend that is strategically and tactically controlling all countries now is the ever increasing interdependence among countries. This interdependence first of all resulted from the vigorous development of production forces in the world, the process of internationalizing world production and the new division of international labor beyond the borders of countries. Nowadays, the economic strength of a country is manifested not only by the value of its gross production volume or its national income but also by its role in international trade. This interdependence is further the inevitable outcome of the revolution of information science and a series of new problems raised for mankind which cannot be solved by a single country. They are problems of environment, conquering of space, exploitation of oceans and exhausting natural resources, prevention and control of AIDS, stress, narcotics, and so forth.

The third factor to be examined in judging the developmental trend of the modern world is the main forces that are operating politically in the world.

First of all, the world peoples' strength—awareness of all nations—must be taken into account. Although living in a world of interdependence, all nations, big or small, have clearly realized the mastery over their own destiny in the spirit of independence, equality and self-reliance, and have opposed all impositions from outside. This is a very new factor completely different from the international order in the 19th century and the world order since the end of World War II. No world order can help but take this factor into account.

Moreover, in any world order, the role of big countries and major centers of world power and the relations among these centers hold great important control action.

It should be admitted that following the cold war and from a relative viewpoint, the United States is always the strongest military, political, economic, and technological force. The United States has always maintained its military strength even though the balance of U.S.-Soviet military and strategic forces has not been destroyed. Politically, the United States has extricated itself from the Vietnam syndrome which began with the invasion of Grenada (1983) and ended with the Gulf war (1991). The Americans of the nineties have proven to be more self-confident. The struggle between "separatist" and "internventionist" forces is taking place fiercely and the balance is tilting toward the rightist forces. The public opinion polls did not accidentally show the very great prestige of U.S President Bush. He is mentioned as a new Roosevelt. Economically, the United States is losing its superiority to the EEC and Japan put together. It has turned from a creditor nation into the largest debtor nation in the world (with about $300 billion of foreign debts). However, compared to each individual center, the United States still remains the strongest and richest. As yet, the United States has basically solved the problems of inflation and unemployment. The U.S. economy is entering a new recession after it has recovered and developed continuously over the past eight years. The United States still takes the lead in technology. Owing to the aforementioned factors, the U.S. decline is merely relative. To a certain definite extent, the United States still maintains control over its allies. However, this influence is very flimsy and rife with contradictions. The Gulf war has revealed that the United States could rally its allies only when such a rally suited the interests of the allies. As a result, when the war ended, the contradictions between the United States and its allies of West Europe and Japan have become even more acute. The Gulf war has further disclosed: The United States is no longer able to claim that it can go anywhere to participate in any war like it did in the Kennedy era. The United States needed not only the sympathy of its allies but also the sympathy or restraint from protest on the part of other centers of power in order to attack Iraq even though the whole world disagreed with the annexation of Kuwait by Iraq.

Although a new situation has arisen in the relationship between the United States and the Soviet Union and China in which they both compete and cooperate with one another for peaceful coexistence, the relations concerning national interests and ideologies remain antagonistic. The United States has never ceased to capitalize on the issues of democracy, human rights, and nationalities to intervene in the internal affairs of these countries.

Evidently, to the great majority of nations in the world, the U.S. interests are totally contrary. All the abovementioned factors put together have disclosed that, on the one hand, the United States has become stronger as compared to the seventies and early eighties. On the other, the U.S. strength is limited. Once again, the United States might plunge deeper into the contradiction between limited strength and boundless ambition, if the ultrarightist forces of interventionism in the United States have won again.

With the reunification of Germany and the unification of the economy and inland market of the European Economic Community [EEC] in 1992, the population in West Europe will be larger than those of the United States and Japan put together. The EEC will be the most important trade and industry center. However, in the near future, West Europe is still unable to exert decisive influence over the world political system. Economic unification cannot have been achieved quickly. Politically, West Europe is composed of many countries bearing heavy nationalistic characteristics. The uprising of German states in the center of Europe, though with their new policy, remains a cause of concern for other European powers, especially France and Great Britain. Therefore, after unifying their market in 1992, it will be very difficult for Great Britain, France, Germany and other main countries in West Europe to voluntarily renounce their national interests for the common benefits of West Europe. The fact that Portugal and Denmark have supported Great Britain policy advocating that countries in the European federation should not have a common defense policy nor a common currency can be cited as an example. However, due to its own interests, West Europe is rallying together into an alliance in order to rid Europe of U.S. influence and compete with Japan. West Europe's first priority is to get into relations with the remaining part of Europe including the Soviet Union, in order to restore the unity of Europe using West Europe as a host.

Some people hold that the 21st century will belong to Japan. From the current economic and trade standpoints, it is true that Japan has the strongest competitive strength in the world and is rich to the point of gradually buying the United States. However, the Japanese economy is precarious because it is based on exports and therefore very dependent on the outside. Moreover, although Japan is economically strong, it is restricted politically and militarily. While Asian countries have not forgotten Japan's odious impressions during World War II in the Pacific area, Europeans and Northern Americans have already hated Japan's economic and trade policies. This has prevented Japan from developing global political influence commensurate with its economic strength. As a result, in the 1990's, Japan still cannot become a center of power to exert a decisive impact on the regional and world order.

The politico-socio-economic and nationality crises in the Soviet Union have notoriously weakened its position of a superpower. Yet it still remains the largest military power in the world. As a result, no matter what developments have taken place in the Soviet Union, it will always remain an indispensable factor in the process of shaping up a new world order.

This can also be true with regard to China—a country with a population of 1.1 billion people and occupying an important position in the Asia-Pacific area. China's geographical and political positions alone can make it an indispensable factor in regional and world relations. If ever someone overlooked the geographical and political factors, it would never be possible to solve the political problems.

It is true that we are living in the period of transition from an old world order to a new one. The feature of this period is the intertwining of newly emerging factors with old ones that have not completely disappeared. This feature has created a very complex international situation bearing different values to various countries. Some countries have benefited much from it while others are in disadvantageous positions and even have suffered losses.

Moreover, it is impossible for the new world order to return to a bipolar or monopolar position to control the world. A multipolar position has taken shape but it is a structure of unequal poles. There might be an uncontrolled pole in the Western hemisphere. The same thing, though to a lesser extent, might exist in the Middle East. The tripolar system of West Europe, the Soviet Union, and the United States will control Europe. In the Asia-Pacific area, the multipolar position is the most notorious to include the United States, the Soviet Union, China, Japan and probably India and ASEAN...There will also be a multipolar position in Africa where the influence of the Soviet Union and China will no longer be as it was before and it will be replaced by the influence of the West, especially the United States.

The situation on this planet is shifting from a cold war to detente. The possibility of a war is decreasing even though there still are many complex factors that have caused flareups of regional conflicts. Yet, if we proceed from the features and trends of the era and bring the method of analyzing contradictions to bear on the situation, no matter how complex the situation, we still can foretell all possibilities and master the situation. Particularly, the struggle to establish a new world order has only just started and it will take many more years. Whether or not a fair and reasonable new world order can be established for all nations, it all depends on the final results of the current crisis in socialist countries and on the awareness of all the peoples and nations throughout the world.

General Discusses Army Political Education

BK0510145191 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Sep 91 pp 7-15

[Article by Lieutenant General Le Kha Phieu: "Politically Build the People's Army in the Light of the Seventh Party Congress Resolution"]

[Text] The most important thing in the political building of the people's army at present is to make everyone fully understand the revolutionary line set forth by the Seventh Congress of the Communist Party of Vietnam [CPV] and to seriously and creatively apply that line to unit-building, combat, and other activities of the army so that the latter can outstandingly fulfill the task of defending the fatherland and consolidating national defense, participate in economic development, help build local political bases, and perform other tasks. At the same time, it is necessary to apply the party's renovative line and identify the new problems arising from life in order to improve the efficiency of party-building work and political education aimed at giving a new strength to political organs and party organizations in the army. It is important to train and improve the contingent of political cadres and to enhance the political background of army cadres so that they can always firmly cope with all challenges.

It is important to realize the need to firmly maintain and constantly strengthen the political stability of the nation and army. Steps must be taken to oppose all attempts by opportunistic elements to diminish the party's leadership role and to "depoliticize" the army. It is necessary to guard against, and make timely rectification of, incorrect, biased viewpoints that fail to attach due importance to the political building of the army or which underestimate party work and political education in the people's army.

1. It is necessary to fully understand the party's new platform, persist in the socialist line and other fundamental principles of socialism, ascertain the leadership role of the Communist Party, remain loyal to and creatively apply Marxism-Leninism and Ho Chi Minh's thought, and help cadres and soldiers heighten their love for the country and socialism.

First of all, it is important to make cadres, party members, and soldiers in the entire army fully grasp the Seventh Party Congress resolution with the steely, unshakable determination of our entire party, army, and people to persist in the socialist path. This is the "only correct choice" capable of helping the revolution in our country overcome all hostile forces and obstacles and advance along the inevitable path for the development of mankind. This path guarantees the conditions for genuine independence and freedom for the nation and a bountiful life and happiness for the people. It is the result of a clear-cut, historic decision made during the 30's. The glorious achievements over the past several decades have testified to the correctness of this path and the new changes in our country and the eventful developments worldwide at the present time have further demonstrated its soundness.

Besides educational measures to make everyone realize the correctness of the decision to choose the socialist path, steps must be taken to denounce the attempts of hostile forces to persuade our people to opt for the capitalist path. Efforts are needed to analyze some people's illusion about the nature of capitalism, or a certain democratic socialist doctrine, as well as their claim about the need to return to the people's democratic line!

We make correct evaluations of capitalism and do not deny its achievements. Nonetheless, we see a difference in principle between the achievements by the bourgeoisie and the gains brought about by the struggle of the workers in those bourgeoisie-dominated nations under a bourgeoisie-backed democratic system. We continue to expose the reactionary, oppressive, exploitive, and unjust nature of capitalism and imperialism, and firmly believe that they will ultimately meet with total destruction. Despite the fact that at certain times and in certain places, they have won some victories over socialism, their adaptations will only help prolong their survival not save them from total destruction.

To persist in the socialist path means not only to remain loyal to the socialist goals and ideals but also to make resolute efforts to build socialism and to firmly maintain the basic orientations and fundamental characteristics of a socialist society that we are building. Special efforts are needed to make everyone realize that the leadership of the Communist Party is a decisive factor for the victory of the socialist revolution. Constant efforts must be made to renovate and enhance the efficiency of party leadership. Resolute measures must be taken to reject the concepts of political pluralism and opposition by a multi-party system, as well as to criticize attempts to diminish the party's leading role or to prevent the party from renovating its leadership. It is necessary to closely combine Marxism-Leninism with Ho Chi Minh's thought and apply them to the concrete conditions in Vietnam, regarding them as the main ideological system to be applied to the revolution in our country because they can play a leading role in shaping the spiritual life of our socialist Vietnamese society. It is important to oppose all attempts to deny, diminish, or distort the truth about the revolutionary and scientific nature of Marxism-Leninism and Ho Chi Minh's thought. It is necessary to make everyone realize that the socialist state belongs to, comes from, and works for, the people and that the worker-peasant-intelligentsia alliance forms the base under the leadership of the Communist Party. It is important to fully implement the people's democratic rights, strictly enforce discipline in society, and take stern action against all acts detrimental to the interests of the fatherland and people. These factors constitute the true nature of a proletarian dictatorship regime and a socialist legal system under which the "legislative, executive, and judicial branches work hand in hand," each with its own well-defined distribution of power. It is important to fight against calls for dubious democracy, elimination of the class struggle, and democracy without leadership, which are nothing but calls for the establishment of a bourgeoisie-backed democratic system in our country. It is imperative to make everyone understand that, since socialist construction is a difficult, complicated, and fierce class struggle both nationally and internationally, one must adopt diversified forms of struggle and very clever strategies and tactics. Criticism is needed to smash all attempts to avoid drawing a clear-cut line between the enemy and us and blunt the people's determination to fight or make them cling to rigid forms of struggle.

To attain a keen perception of the socialist revolutionary line, we must firmly take the path of transition to socialism in Vietnam using the concepts of socialism that have been built up by our people and the present characteristics of our country and our times. It is necessary to clearly realize the values needed to create the character of our new society, the most important aspect of which is the "working people who act as masters and the issue of man's emancipation, which retains a pivotal position." This is a democratic and civilized society designed for mankind's legitimate interests and dignity. The characteristics of our country during the period of transition to socialism are those of a former colonial semi-feudalistic society with a deplorably meager production force that is still affected by the heavy consequences of war and is still subjected to constant sabotage activities by the hostile forces. Therefore, it is most important for us to make fundamental improvements to the socioeconomic situation, which remains underdeveloped, and to defeat all the obstructive forces, especially those hostile to national independence and socialism. Based on this, we must also realize that during the process of the transition to socialism, while our country has "bypassed the capitalist regime," it has not bypassed the positive parts of capitalist development that are still suitable for the development of the nature and level of our production force in the direction of socialism, thus helping our advance along the socialist path. We must look for suitable steps, forms, and measures and avoid over-confident actions and hastiness. Only in this way can we accurately understand and prudently adopt our party's standpoints and policies on such issues as expanding the production force, industrializing the country along the line of modernization in close combination with the development of a comprehensive agriculture, gradually establishing socialist production relations from bottom to top with diversified forms of ownership, developing a multicomponent market economy in the direction of socialism, and putting an economy into effect under a market-oriented mechanism with state management through laws, plans, policies, and other means.

On the basis of providing education on fundamental issues concerning the socialist revolutionary line and actively instilling the ideals of communism, we must constantly cultivate love for the country and socialism among all troops so that, together with the people in the entire country, they will resolutely strive to successfully build socialism and firmly defend the socialist fatherland and make the people prosperous and the country powerful. This is necessary in order to adequately fulfil President Ho Chi Minh's noble ideal, which is also the substantial truth of the present age: Independence and freedom are closely linked to socialism; only with independence and freedom can we successfully build socialism and only with socialism can we firmly maintain independence and freedom.

By these means, our people's traditional patriotism has been raised to a new level. We do not deny the patriotism of various strata and individuals of our people who, due to different reasons, have still not advocated or ardently advocated socialism. We, however, stand against the idea of using the pretext of patriotism to oppose socialism. We also cannot tolerate the idea of justifying capitalism and the bourgoisie with the contention that by "following the capitalist path, people can also advance their country and firmly preserve their independence and freedom," and that "capitalism—which in the past has closely been linked to oppression, exploitation, and injustice—has now changed its nature."

2. It is necessary to profoundly understand the task of defending the fatherland and the party's viewpoints on consolidating the all-people national defense system and building up the people's armed forces under the new condition.

Our party's new platform continues to affirm that: "Building socialism and defending the socialist fatherland are two strategic tasks of the Vietnamese revolution. While placing the national construction at the frontline, we will always be vigilant, consolidate national defense, ensure political security and social order and safety, and defend the country and revolutioonary gains." This is one of the basic guidelines to enable our people to build socialism and defend the country. We must thoroughly understand this basic guideline and all the revolutionary lines of the party and military conceptions of President Ho Chi Minh in order to precisely define the position, contents, and requirements of—as well as effectively carry out—the most basic political task of the people's army—the task of defending the fatherland. This is one of the two strategic tasks of our revolution, to which sufficient importance must be attached. On the basis of accurately assessing the situation in the world as well as in the region and country, we must foresee precisely the difficulties with which we may have to cope and the possibilities that we may face, and see to it that plans are formulated in a comprehensive manner with targets,—excluding exaggeration or subjectiveness in all situations—for both the immediate and long-time future. This is aimed at ensuring victories under all circumstances. The contents of the national defense task involve the maintenance of national independence, sovereignty, security, and territorial integrity; the safeguarding of the party and the socialist regime; opposition to the strategies of the imperialists in their attempt to eliminate our socialist regime and wage a war of aggression against our country; the consolidation of peace; the averting of the danger of war; and the vigilence to frustrate all types and forms of aggression and wars of aggression on any scale. In work related to economic development, the army must scrupulously execute the party's economic policies to ensure that both economic and political efficiencies are achieved, but not at all costs. As far as international duty is concerned, the army must correctly execute the policies on external relations and firmly grasp the strategies and tactics of our party with the lofty feeling that comes from the internationalism of the working class. This is also the task of the political leadership of all party organizations and the operational objective of party and political work.

To fulfil the task of defending the country and other tasks, troops must thoroughly understand the party's viewpoints; develop to the highest extent their sense of independence, sovereignty and self-reliance; overcome the idea of dependence, any sense of inferiority, pessimism and vacillation; effectively exploit and strictly and economically use all the material facilities and technical equipment of the army; and resolutely oppose corruption and waste. We must persistently and continually implement all those policies that have proved to be correct over the past years, especially those policies on consolidating the all-people national defense and the people's warfare position; and we must organize strong and firm defense areas, and satisfactorily build both regular and reserve mobilization forces to include regular army, regional, militia and self-defense forces. We must concentrate on enhancing the general quality and combat strength of the armed forces, taking political quality as a basis. We must shift military training toward the practical viewpoints in keeping with Vietnam's military experiences and traditions, and develop them to a new standard. Troops must have good ability to perform mass motivation tasks and participate in building effective political bases in localities. We must revamp the staff organization of the army in keeping with the requirements of adjusting the army strategically and developing its armament and equipment according to the current economic and industrial conditions of the country. In the course of implementing these policies, exercising leadership of party organizations, and performing party affairs and political activities, we must always firmly grasp the party's viewpoints and ideas, consistently maintaining all the principles. We must also advocate renovation, be dynamic and creative, closely follow all developments in practical life, promptly deal with newly emerging problems, struggle to overcome both sluggishness and impatience, and oppose dogmatism, conservatism and opportunism of all kinds. This means that we must deal with political issues in the military policies.

3. We must thoroughly understand the party statutes (amended), build the army's wholesome, strong and firm party organization into that which is worthy of being the nucleus of political leadership, solidarity and unity, and intensify the party's class and vanguard position in the army's party organization on the strength of enhancing knowledge about Marxism-Leninism and Ho Chi Minh's thought.

In reorganizing and building the army's party organization in the present situation, we must first of all firmly grasp such principled issues as asserting definitively the party's unique role of leadership over the revolution in our country, and its principle of absolute, direct and comprehensive leadership over the army. We must firmly grasp and apply the fundamental principles for party development to the army's party organization, and firmly grasp Marxism-Leninism and Ho Chi Minh's thought in both the revolutionary cause as a whole and in national defense, the military task and the army in particular. We must also firmly grasp and apply the principle of democratic centralism to military operations and to building and gradually modernizing the people's regular army.

Faced with the new requirements of the revolutionary tasks and the army's duties, the army's party organization must renovate and reorganize itself, increase its knowledge, capability and new combat strength, and effectively overcome negative phenomena and weaknesses. It must be built firm and strong politically, ideologically and organizationally, to be truly the nucleus of solidarity and leadership in the people's army.

We should intensify theoretical research, summarize realities and better clarify the fundamental issues of the renovation process applied to the army. This is the first and foremost issue in the main policies and measures aimed at renewing and reorganizing the party, and ensuring that the party is truly the vanguard unit of the revolution in all domains. We must study and understand more profoundly Marxism-Leninism and Ho Chi Minh's thought, especially the basic viewpoints on the doctrine of war and the army so as to apply them correctly and creatively in the current circumstances. The political and ideological task must constantly cause the party to be imbued with Marxist-Leninist world conception and the thought, ethics and behavior of Ho Chi Minh, and hold the leading position in the moral life of our troops. We must relentlessly struggle against all distortions of Marxism-Leninism and such erroneous viewpoints as political pluralism, multipartyism, unrestricted democracy, negation of Marxism-Leninism, party leadership and the people's revolutionary gains; we must resist viewpoints on "depoliticizing troops", and negation or lowering the leadership role and political task of the party.

We must emphasize the management and education of party members on the party's political viewpoints, nature and principles; on their ethics and lifestyle, their relations with the people and their practical operational ability according to the party statutes supplemented and amended at the Seventh Party Congress.

Party members in the people's army must possess strong political ability and a stong, aggressive will and determination to defend the country, the party and the people. They must be loyal to the socialist ideal and cause, adopt a positive attitude toward the renovation process and, at the same time, have some knowledge and ability to lead the construction and combat duties of the army, and victoriously implement all tasks. Party members must speak and work in accordance with the party resolutions. Evidently, in the process of applying resolutions to practical social life, they must firmly grasp the fundamental viewpoints and ideas. Yet, they must apply them creatively to the specific situation and tasks of their units and localities without being mechanical, dogmatic and rigid.

We must attentively build and consolidate the party (including party committees at all levels, basic party organizations, control committees), and continually consolidate and perfect the mechanism of party leadership over the army. We must study addenda and amendments to the organizational and operational regulations of party organizations and the systems of party affairs and political tasks in the army in keeping with the Seventh Party Congress resolutions. We must accelerate the building of wholesome, strong and firm basic party organizations, for which the key task is to build party chapters in close connection with the characteristics, duties and organization of each type of primary combat unit, production unit, national defense factory, army school, agency and so forth. We must firmly maintain the principle of democratic centralism, implement adequate democracy, uphold a stern sense of self-discipline, intensify the role of collective leadership of party committees, and fully implement the command system. We must intensify solidarity and unity within the party based on the struggle to implement the party's lines, policies and organizational principles, and to oppose all undemocratic phenomena, formalistic democracy, bureaucratism, militarism, unilateral democracy, demagogy and opportunism that make us deviate from the right course and abandon our leading positions. We must build new leadership behavior and work method; overcome red tape, showy formalism, habits of matching words with no deeds, indecision, irresponsibility, and practices of saving face and dodging responsibility; and oppose arbitrariness and paternalism. The control tasks of party committees in the army must be intensified and their duties, functions and regulations of control in line with the party statutes must be supplemented in close combination with the army's inspection agencies at all levels.

The mass motivation task must be consolidated organizationally and be enhanced qualitatively. The Ho Chi Minh communist youth union, the national defense workers' union and the organization of female workers and civil servants are politicosocial mass organizations in the army and the representatives of the people's interests and rights to mastery in the army . They should be built and enabled to have a positive effect.

In the immediate future, we must satisfactorily organize the second-round party congresses at all levels in the army to thoroughly understand the fundamental viewpoints of the Seventh Party Congress, apply them to realities, formulate specific and practical policies and measures to bring resolutions into everyday life, put personnel affairs into good order at all levels, make party committees really strong and firm to typify the spirit of renovation, and give them the quality, ability and sufficient prestige to promote the party leadership role.

4. We must build strong contingents of army cadres who are absolutely loyal to the revolutionary cause, the party, the people and the homeland. Cadres must possess sufficient quality and ability to carry out renovation in accordance with the spirit of the Seventh Party Congress documents.

In all circumstances, once the party has adopted correct lines and policies, the role of cadres is of great significance. It decides the translation of party resolutions into practical action. The party's renovation lines applied to the military field and the army require that the organization and employment of army cadres must proceed from the army's needs and tasks, and must be based on the qualifications of cadres. We must use their practical achievements in the performance of assigned political, military and economic tasks as a main basis on which to consider, assess and arrange the placement of cadres without simply taking into account academic diploma and degrees and ages. We must remove from the army ranks those politically and ethically degenerate and deviant members who cause division and factionalism; who are corrupt, oppressive, opportunist and self-seeking; and who fail to set good examples in their life-style and win the people's confidence. We must actively train good yet still undeveloped cadres. Those cadres who have not much education nor real ability, have no desire to learn and surge forward, and prove to be incapable of progressing must also be removed from leading, command and management positions at all levels. Those cadres who have been placed without care must be reassigned. We must boldly promote young qualified cadres with good prospects to each specific task and position. We must oppose individualism, favoritism, face-saving and narrowmindedness in the assessment, employment and placement of cadres.

In formulating and implementing army cadre plans, we must proceed from the requirements of strategically adjusting and reorganizing forces in a fundamental and long-term manner, taking into account the laws of organizing the army in peacetime and wartime, under the conditions of modern war and under all circumstances that might occur in our country. We should firmly grasp the requirements of enhancing the quality of troops, especially their political and combat qualities. We must pay attention to the basic and advanced training and the satisfactory employment of intellectuals and ethnic minority cadres, and gradually increase the percentages of ethnic minority cadres in local military agencies and local cadres in the South. We must attentively organize the contingent of reserve cadres in order to be able to achieve the set plan norms.

In consolidating and enhancing the quality of army cadre contingents, we must pay attention to the objective of the cadre task, which is to build a force of uniform and good cadres with a core contingent of leading, command, scientific (natural and social sciences and technology), specialized and key cadres of all ranks and in primary units who are sufficiently good and capable of ensuring the successful implementation of tasks in the forthcoming five years, and who can steadily face all difficulties and ordeals. At the same time, we must prepare cadres for the subsequent years. Yet, most attention must be paid to the current basic qualifications of cadres, including a steady political ability, a sense of responsibility and renovation, loyalty, straightforwardness, alertness, and good practical knowledge and ability to organize the revolutionary army, making it uniform and gradually modernizing it so that it can perform all its assigned duties. Cadres must be avid to learn in order to constantly raise the level of their knowledge. They must have a healthy life-style and enjoy the trust of their superiors and the confidence of the people and their subordinates and combatants. Proceeding from these basic points, we will specify the qualifications of cadres, depending on each title and position in close connection with the specific duties of each echelon, each branch and each individual.

We must raise the quality and effectiveness of basic and advanced cadre training, by concentrating on the continued reorganization and consolidation of the army school network. Attention must be paid to the contingent of teachers and management cadres, the renewal of the scope of training, and programs and methods in keeping with the new contents of the revolutionary line and with the requirement of shifting military training orientations. We must supplement the standards and specify the system for placing and employing cadres in conformity with the training objectives.

We must organize a thorough dissemination of and satisfactory implementation of all stipulations on cadre management by the standing committee of the party Central Committee's military commission and the national Defense Ministry in order to ensure close managerial control over the entire contingent and each individual depending on the decentralization of management. We must promote the key role of the contingent of leading and command cadres in strengthening party leadership, in building the army and in performing well the assigned duties in all complex circumstances. We must adequately formulate policies toward cadres.

To perform the cadre task well, we must intensify party committee leadership over the task and "perfect the staff agency related to the organization of cadres" and ensure that this agency truly renovates its viewpoints on cadres and cadre task, and is capable of meeting the requirements of renovation. "Cadres who lack politcal steadfastness, honesty and quality should not be assigned to perform the cadre organization task."

It is truly a struggle to thoroughly understand and translate the congress resolutions into practical social life and the people's army. This is a process of specific research and practice in the army, and of construction, combat and work; and then through practice, we will continue research work for development. Here, we should distinguish the study to thoroughly understand resolutions and organize their careful implementation from those still differing issues that are raised for further study in order to clarify their theoretical and practical bases and to detect newly emerging problems in real life. As a result, we must attentively develop democracy and the independent and creative thinking of cadres and party members. Nevertheless, we must at the same time exercise close leadership and firmly maintain the party principles in the course of studying and implementing resolutions in order to avoid deviation from the fundamental guidelines and objectives in all domains of work as well as in building the army politically.

Australia

Government To Resume Direct Aid to Vietnam

BK1010101491 Hong Kong AFP in English 0914 GMT 10 Oct 91

[Text] Canberra, Oct 10 (AFP)—The Australian Government has announced it is to resume direct aid to Vietnam suspended 12 years ago because of the invasion of Cambodia.

The decision was made because there were firm grounds to believe the agreement on the Cambodian peace settlement was nearing completion, Foreign Minister Gareth Evans said late Wednesday.

Although no decision has been made on the size of the aid program, Evans said the time was right to broaden Australia's aid to Vietnam beyond the more than 15 million dollars (12 million U.S.) support it gives through multilateral and non-government aid organisations.

The Australian Government hopes to begin the first bilateral projects in the first half of next year.

Evans ordered a review of the ban last July after the four Cambodian factions took a major step towards an eventual peace settlement.

The factions are now expected to sign a peace accord later this month.

Direct Australian Government aid was suspended after Vietnam invaded Cambodia in 1979 to expel the Khmer Rouge regime in Phnom Penh.

New Zealand

RSA's Botha Arrives for Talks in Wellington

BK0910072091 Melbourne Radio Australia in English 0500 GMT 9 Oct 91

[Text] The South African Foreign Minister Pik Botha has arrived in New Zealand for the first talks in more than 30 years between Wellington and Pretoria. Mr. Botha was scheduled to meet Foreign Minister Don McKinnon today followed by talks with opposition leader, Mike Moore, and the Parliamentary Foreign Affairs and Defense Committee tomorrow.

Mr. Botha will not be holding talks with Prime Minister Jim Bolger who earlier this week said that there were still concerns about the progress of democratic reform in South Africa.

Trades Criticisms With Moore

BK1010072491 Hong Kong AFP in English 0057 GMT 10 Oct 91

[Text] Wellington, Oct 10 (AFP)—South African Foreign Minister Pik Botha on Thursday accused the leader of New Zealand's opposition, Mike Moore, of not knowing what was going on in South Africa.

"I don't think he knows what's going on there," Botha told reporters here during his two day visit, the first high-level contact between the two countries in 30 years.

Moore, who arrived late for his meeting with Botha, said Thursday that the minister should have brought a "representative of South Africa's majority" with him.

He added that New Zealand rejected South Africa's "repressive regime" and that Botha was "on the wrong side of history."

Botha told reporters Thursday that Moore should begin to realise what is happening in the rest of the world.

When asked about the the likelihood of rugby tests between the All-Blacks and the Springboks at a meeting with parliament's select committee on foreign affairs, Botha replied that in South Africa there was "very positive movement, far ahead of some elements I met here in New Zealand.

"The ANC (African National Congress) is far ahead. There are elements in New Zealand who haven't caught up with the ANC," he said, adding, "They live in the past. We have changed irreversibly."

"I wonder when certain elements in this country are going to change and catch up with what is happening in South Africa," he said.

Botha held an unscheduled five-minute carpark meeting with Prime Minister Jim Bolger early Thursday, but neither have said whether they discussed anything of importance.

The minister was due to leave for Hong Kong later Thursday, on his way back to South Africa.

Cancels Planned News Conference

MB1010074891 Johannesburg South African Broadcasting Corporation Network in English 0500 GMT 10 Oct 91

[Text] It's reported from Wellington, New Zealand, that the [South African] minister of foreign affairs, Mr. Pik Botha, has canceled a news conference before his departure for South Africa after what was described as a hostile interview on Radio New Zealand.

After a stormy meeting with New Zealand's leader of the opposition, Mr. Mike Moore, Mr Botha told that country's Parliament that South Africa had changed irreversibly but that he wondered when certain elements in New Zealand would realize this. He said there were some elements in New Zealand that had not even caught up with the ANC [African National Congress]. Mr. Botha said Mr. Moore did not have a clue about the reforms in South Africa.

Mr. Botha came under fire about the state funds paid to Inkatha. Earlier Mr. Botha met the New Zealand foreign minister, Mr. Don McKinnon.

Mr. Botha has left for Hong Kong en route to South Africa.

Bolger Confronted Over Firing Minister Peters

BK1010103191 Hong Kong AFP in English 0948 GMT 10 Oct 91

[by Michael Field]

[Text] Wellington, Oct 10 (AFP)—A group of 300 angry Maori, led by a wheelchair bound 96-year-old matriarch, occupied cabinet offices here Thursday and summoned an embarrassed Prime Minister Jim Bolger to hear their demands for the reinstatement of former Maori Affairs minister, Winston Peters.

Bolger fired Peters last week for his criticism of government economic policies, replacing him with Doug Kidd and associate minister John Luxton. Neither can speak Maori, and Kidd is the first white Maori affairs minister in 20 years.

Tuesday, Dame Whina Cooper, a respected Maori leader and confidante of numerous prime ministers, left her sick bed in her remote northern home, overcame her fear of flying and arrived unannounced in Bolger's Beehive office to demand Peters' reinstatement.

Bolger met her, but refused to give Peters his job back. So Thursday she returned in her wheelchair with 300 supporters.

Kidd greeted them on their arrival on the grounds of Parliament, but the group walked past him into the ground floor of the Beehive, declaring it to be a "marae" or meeting ground.

Although security was high for visiting South African Foreign Minister Pik Botha, police made no attempt to stop the demonstration.

Once inside, the demonstrators demanded to see Bolger. When he arrived, he reaffirmed Peters' sacking to jeers from the demonstrators.

"Everyone is allowed to speak out but government also has to follow a consistent policy," Bolger said. "You know that on your marae you have your procedures, you have protocol, you have systems that you require to be followed ... I also have procedures and protocol to follow."

But he said he was prepared to review the way the government gets advice from Maoridom and would "reflect" on the possibility of calling for a council of Maori elders.

After his arrival to loud applause, Peters, the sacked Maori affairs minister, also addressed the demonstration.

"It is no time to let rancour and bitterness and a sense of personal grievance divide us and forestall our destiny," he said.

New Zealand faced severe problems unless the government was prepared to listen to different groups, Peters added.

"This country is bleeding," he said. "You know it and I know it and it is time now to go back to the people wherever they are to seek their consent, seek their views, their contributions for our nation's survival."

After his speech he moved slowly through the crowd and was embraced and greeted by elders, many of them tearful.

In opinion polls, Peters is usually rated far ahead of Bolger as the person most people would like as prime minister.

Since his sacking, he has continued attacking the government, including raising questions in Parliament critical of Bolger's performance.

Cooper was a longtime backer of the ruling National Party until the sacking of Peters. "I'm almost bedridden but this woke me up," she said.

In 1975, she launched a march on Wellington which eventually drew tens of thousands of supporters and which is now regarded as one of the major milestones in the struggle for Maori rights. The Maori account for 10 percent of New Zealand's population.

She told THE NEW ZEALAND HERALD Tuesday that Bolger had a "closed Pakeha (white) mind," and that she had been hurt by Peters' sacking, which she described as a grave insult to the Maori.

"I still feel hurt, I cannot see daylight with Mr. Bolger," she added.

The powerful but conservative Tainui tribe, known as the King Movement, are supporting the protests. Maori queen, Dame Te Atairangikaahu, did not join the demonstration, but she made it clear through spokespeople that she endorsed the call for Peters' reinstatement.

Solomon Islands

French Nuclear Tests in Pacific Criticized

BK1010071291 Hong Kong AFP in English 0124 GMT 10 Oct 91

[Text] New York, United Nations, Oct 9 (AFP)—Solomon Islands Foreign Minister Peter Kenilorea Wednesday urged Paris to put an end to its nuclear arms testing program in the South Pacific.

"We continue to be greatly disappointed with France for its nuclear testing program in the South Pacific" and "once again call on France to put an end to this program," Kenilorea said in his address to the UN General Assembly.

French diplomat Pierre Menat insisted that France's nuclear testing in the Pacific did not represent any danger to the region's interests or environment.

Kenilorea also criticized France for bestowing the Legion of Honor on Lieutenant Colonel Alain Maffart, whom Kenilorea described as a saboteur, for having sunk a Greenpeace vessel in 1985 in port in Auckland, New Zealand while at the same time France was exploding a nuclear bomb at an underground site on Mururoa atoll.

It was "a crowning act of selfish defiance and belittling by France of the South Pacific nations' concern for their environment and legitimate rights of livelihood," Kenilorea said acidly.

But he did praise France for promoting equitable political and socioeconomic development in New Caledonia, which he said marked a step in the right direction toward islanders' right to self-determination, including independence.

Kenilorea did not refer to the situation in the French archipelago of Tahiti, unlike last year, but was unable to hide his irritation with what he termed France's "protectionist tendencies."